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RETURNS TO EQUITY CAPITAL BY ECONOMIC CLASS OF FARM

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ABSTRACT

Estimates of returns to equity capital invested in U.S. farm production are developed by using 1970 census benchmark data, which are the latest data available on farm finance. The rate of returns ranged from negative on farms with less than \$10,000 gross farm sales to near 7 percent on the largest economic class farms. Only one-third of the farms had gross sales over \$10,000, but accounted for 71 percent of all assets and earned returns above the composite average of 2.1 percent. This illustrates the problem inherent in using a composite average for "all farms" to represent the entire industry.

The importance of off-farm income and additional returns to equity due to land appreciation probably explains why smaller farm units can exist on low farm returns. The difference in returns may help explain the increase in farm size, particularly for commercial units.

Demands for loan funds will also substantially increase with the upward mobility in size classes and the tendency for larger farms to incur more debts. Higher capital requirements on larger units could also bring more equity financing in agriculture.

Key Words: assets; debts; capital; farm income; off-farm income; return to equity.

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SUMMARY

This report analyzes income flows, asset values, and debt and concludes that the rate of returns to equity capital grows as the economic size of the farm increases. Results show that a basic structural difference existed in equity earnings among different sized farms in 1970. Although measures of returns to equity capital for any one year can be misleading, differences in earnings shown are similar to those found by other researchers for 1964-65 and 1966-68.

The information contained in this report was primarily based on the 1970 Census, Survey of Farm Finance, which was made available in 1974 by the Bureau of the Census and is the most up-to-date information on farm finance. The relationships among the economic classes of farms shown by this data demonstrate the wide range of returns obtained by farm operators from farm production activities.

For 1970, the average rate of return to equity capital was 2.1 percent. However, rates of returns on large farms substantially exceeded those on small farms. U. S. farms with gross farm sales of over \$100,000 in 1970 were earning an average of 6.9 percent on each dollar of equity, while farms with gross sales of less than \$2,500 were losing an average of 6.1 percent. The average rate of earnings increased consistently as farm size increased. In general, farms with less than \$10,000 made up two-thirds of all farms, but held only 29 percent of all assets and earned less than the composite average. Farms with over \$10,000 made up one-third of all farms, but held 71 percent of all assets and earned returns above the composite average. The relationship between increasing returns to equity and increasing size was evident in each of the 10 farm production regions.

A close correlation existed between farm size, farm debt, and rates of returns to equity. The use of farm debt appeared to be an important factor determining the rate of return earned by farms and the growth in farm size measured by gross farm sales. In addition to higher absolute values of debts, larger farms held more debt per dollar of equity capital. The ratio of total debt to equity in farm assets was 39 percent for farms with sales over \$100,000 versus 14 percent for farms with less than \$2,500 of gross farm sales. With earnings on borrowed funds exceeding the cost of borrowing, it follows that higher ratios of debt to equity will result in a higher rate of earnings per dollar of equity. To capture this apparent economic efficiency of larger size, operators who depend on farm income alone apparently will depend more on the use of borrowed funds to achieve farm growth and to increase their incomes.

The high proportion of income from off-farm sources suggests that a large number of smaller farms were able to survive in the farming sector in spite of a negative rate of return from the farm operation. Farms with gross farm sales below \$5,000 in 1970 obtained over 90 percent of their total income from off-farm sources. The dependence on off-farm income generally decreased as farm size increased.

Additional returns, due to appreciation in land values, increased the U.S. return from 2.1 percent to 5.6 percent in 1970. The potential for capital gains, especially on the land resource, plus additional income from off-farm sources, adds another dimension to farm ownership and operation. Although appreciation from land adds nothing to cash flows until the land is sold, a higher level of net worth can be used as security for real estate loans.

RETURNS TO EQUITY CAPITAL BY ECONOMIC CLASS OF FARM

by

J. Bruce Hottel and Robert D. Reinsel 1/

INTRODUCTION

Estimates of farm income and returns to equity capital were made by economic class of farms for the entire United States and for the 10 major U.S. farm production regions. The most recent year that benchmark data were available for determining the allocation of the national farm income and balance sheet accounts was 1970. Data used were primarily from the 1969 Census of Agriculture and the 1970 Census Survey of Farm Finance (22, 23). 2/ The 1970 Census Survey of Farm Finance was not available until 1974. However, similar economic patterns, as determined by the Census, are believed to still apply to the farming sector today.

During 1960-75, with the exception of 1973, average U.S. total net farm income per farm, in constant 1967 dollars, was below \$6,000 (18). The average rate of return to equity capital was 6 percent or less, with the exception of 1973, when it was 10.7 percent (16). Yet, some farms prospered and grew during this period, while large numbers of others went out of existence. The overall averages were thus not adequate for explaining the changes which occurred or in measuring the general profitability of equity capital used in commercial agriculture for any one year.

Equity capital is defined as that portion of the farm's assets without debt obligations. This report presents a measure of returns to equity capital for farms in various economic (sales) classes. The data help to identify incentives for financial investments that can change the structure of the food and fiber sector. Although measures for any one year can be misleading, differences in earnings shown in the study are similar to those found by Herendeen for 1964 and 1965 (6), and by Johnson for 1966, 1967, and 1968 (9). The measurement of returns depends on the assumptions used, which are detailed in the appendix, and should be considered in interpreting the results of this study.

Over half of the farmers that receive a large share of their income from off-farm sources are noncommercial, part-time, or semi-retired. In many cases, returns from these farms are used only to supplement earnings from primary nonfarm occupations. Land and housing is often viewed as a base for nonfarm activities. Net farm income is often so low that after allowing farmers a return for labor and management, negative returns to equity capital occur. Even among commercial farms, there are differences in income and resource earnings because of variations in farm size, type of farm, and geographical location which affect the overall average. Therefore, substantial variations in returns to equity among farms are to be expected.

PROCEDURE

The general procedure used to estimate farm income and returns to equity capital was to allocate national gross farm income to the economic classes and subtract production expenses to determine net farm income for each class. Estimates of the value of

1/ Agricultural economists, U.S. Department of Agriculture, Economic Research Service, National Economic Analysis Division, Inputs and Finance Program Area, stationed at Texas A&M University and Washington, D.C., respectively.

2/ Underscored numbers in parentheses refer to the references listed at the end of this report.

unpaid operator and family labor and management were then deducted from net income to determine the return to equity capital. Equity capital was defined as the difference between assets and liabilities as determined for each economic class of farm. Net rates of returns to equity capital were determined by dividing earnings by the equity value.

A basic assumption of this study is that equity capital is the residual claimant to net income after an allowance has been made to operator and family labor and management. Procedures used to estimate the opportunity cost allowance for labor and management are discussed in the appendix. The concept measured efficiency in capital use rather than the welfare of individuals.

Only resources that were directly used to contribute to agricultural production were considered. The resident farm household element, which is a part of the national balance sheet of the farming sector and the farm income accounts, was excluded (app. tables 1 and 2).

Income and returns to equity capital are assumed to flow to the equity associated with farm production units regardless of ownership patterns. It is thus assumed that equitable distribution of returns is made between owners and renters of resources, whether they are farmers or landlords. Assets are valued at their opportunity cost or market values.

In a minority of cases, data were not available to allocate national income or balance sheet items among economic classes of farms. In these cases, proxy procedures were developed. Procedures used are discussed in detail in the appendix.

FACTORS AFFECTING RETURNS FOR U.S. FARMS

The analysis indicated that the rate of return to equity capital grows as the economic class size increases (table 1). The average return for all farms does not adequately represent diverse production units within the farming sector. The average return to all farms in 1970 was 2.1 percent; however, the range was from -6.1 percent on the smallest farms to +6.9 percent on the largest farms. ^{3/} The rate consistently increased with the farm size (table 1). One-third of all farms earned an income in excess of \$10,000, and received returns above the composite average. The remaining farms with less than \$10,000 gross income earned less than the composite average.

Because estimates for each economic class are composite averages, not all farms would have positive or negative returns as represented by the average. Although estimates of variances in equity returns were not determined because of data limitations, significant differences probably existed between economic class groups. A study by Duvick and Uhl (2) found significant differences in average income levels and variation in parity returns within economic classes on Michigan farms during 1965 and 1966. Their study showed that although the average income of the class I farms was above or near parity income, only about 50 percent of these farms yielded farm income above parity levels. They also found that the proportion of farms within each class that achieved net income above parity levels increased as the size of the farm increased. This suggests that, although both positive and negative returns to equity exist within each economic class, the greater proportion of resources earned above the average was on larger farms.

^{3/} Average rates of return for all farms during 1970 were similar to those during 1969 and 1971, but nearly one-third less than in 1972 and 1974 and nearly two-thirds less than in 1973. Changes in the overall average from 1970 could have proportionally affected returns for individual economic classes. Because of slightly different procedures, the measure of returns for all farms in this study was slightly different than the level presented in the Balance Sheet of the Farming Sector (16).

Table 1--Farm numbers and average rate of return to equity, 1970

Economic class	Gross farm sales	Farms	Distribution	Rate of return to equity
		Thousands	Percent	
Class Ia	\$100,000 and over	55	2	6.9
Class Ib	\$ 40,000 - \$99,999	178	6	5.9
Class II	\$ 20,000 - \$39,999	343	12	4.4
Class III	\$ 10,000 - \$19,999	390	13	2.9
Class IV	\$ 5,000 - \$ 9,999	397	13	-0.1
Class V	\$ 2,500 - \$ 4,999	435	15	-6.5
Class VI	Less than \$ 2,500	1,156	39	-6.1
All farms		2,954	100	2.1

FACTORS AFFECTING DIFFERENCES IN RETURNS

In general, several factors appeared important in creating the divergence in returns. For example, one factor was the mix of resources used for income flows. For instance, 67 percent of all farms with less than \$10,000 of farm sales used nearly one-third of all capital resources but accounted for a much smaller proportion of net income. Although these farms had 20 percent of total debts and 32 percent of total equity, net farm income amounted to only 14 percent (table 2). A wide range also existed with respect to labor resources associated with smaller farms. Operator and family labor on farms with less than \$10,000 sales accounted for 54 percent of all labor resources. After operator and family labor and management were allocated, based on a market share and deducted from net income, returns to equity were negative for the smaller farms. This is discussed further in the following sections.

Large Farms

Several factors appeared important in explaining the reasons why farm returns to equity are more favorable on larger size units.

First, as the size of farm increases, the absolute value of utilized assets increases substantially, but assets utilized per dollar of gross and net farm income decline (table 3). For example, class Ia and Ib farms used only about \$13.50 of assets per dollar of net farm income, compared with over \$19.00 for class IV and smaller farms. This improved efficiency of capital is partly due to economies of size that reflect greater specialization, or perhaps more complete utilization of resources (10).

Second, larger farm units have greater assets per dollar of equity capital by using more debt capital in acquiring and controlling productive assets. Equity capital ranged lower as a percent of total assets with increases in farm size, changing from 87.5 percent on the smaller farms to 71.8 percent on the largest units (fig. 1). Conversely, as the farm size increased, debt, as a percent of total asset value, increased from 12.5 percent on the smallest units to 28.2 percent on the largest farms. Total assets per dollar of equity capital averaged \$1.39 on the largest farms and declined to \$1.14 on the smallest farms (table 3). Therefore, the ratio of debt to equity was substantially higher on larger units (7). Class Ia operators used \$0.39 of debt for every dollar of equity; this decreased to \$0.14 on farms with farm sales less than \$2,500.

As farm size increased, the value of assets varied slightly. Land and building values were the major components of total assets for each economic class, ranging from 75.5 percent of all resources on farms with less than \$2,500 farm sales to 73.1 percent on the largest farms (fig. 1). Cattle and calf values became a larger component of total assets as farm size increased, ranging from 5.5 percent to 10.8 percent. Machinery and motor vehicle values averaged about 12 percent of total assets for all class sizes, except for the class Ia farms, which averaged 8.3 percent.

As farm size increased, the components of debt changed. Larger farm sizes had more non-real estate debt, as compared with real estate debt. This partly occurred because rented land, which is not a debt component, is a greater share of total assets for larger farm operators. Although no attempt was made to differentiate between returns to farm operators as compared with nonoperator landlords, previous studies indicate a greater proportion of land owned by nonoperator landlords on the larger economic classes which had relatively low levels of debt on land owned (8, 23).

Small Farms

Several factors appeared important in explaining why smaller size farms exist or even continue to operate with negative or low returns to equity.

Table 2--Distribution of balance sheet and income accounts, 1970

Economic class category	Gross farm sales	Farm assets	Farm debt	Farm equity	Net farm income ^{1/}	Allocation of net farm income ^{2/}		
						Operator and family labor	Management	To equity capital ^{3/}
						Percent		
Class Ia	\$100,000 and over	16	22	14	20	6	17	28
Class Ib	\$ 40,000 - \$99,999	18	22	17	23	10	21	30
Class II	\$ 20,000 - \$39,999	21	22	21	26	16	25	28
Class III	\$ 10,000 - \$19,999	16	14	16	17	14	18	14
Class IV	Less than \$10,000	29	20	32	14	54	29	0
All farms		100	100	100	100	100	100	100

^{1/} Gross farm income (cash receipts, Government payments, and other farm income) minus production expenses. Represents net returns to contribution of unpaid operator and family labor, management, and equity capital.

^{2/} Allocations are made to operator and family labor and management with residual earnings going to equity capital.

^{3/} Because returns to equity are negative for farms with less than \$10,000 gross farm receipts, the distribution of total equity returns is based on the total received by the larger farm classes.

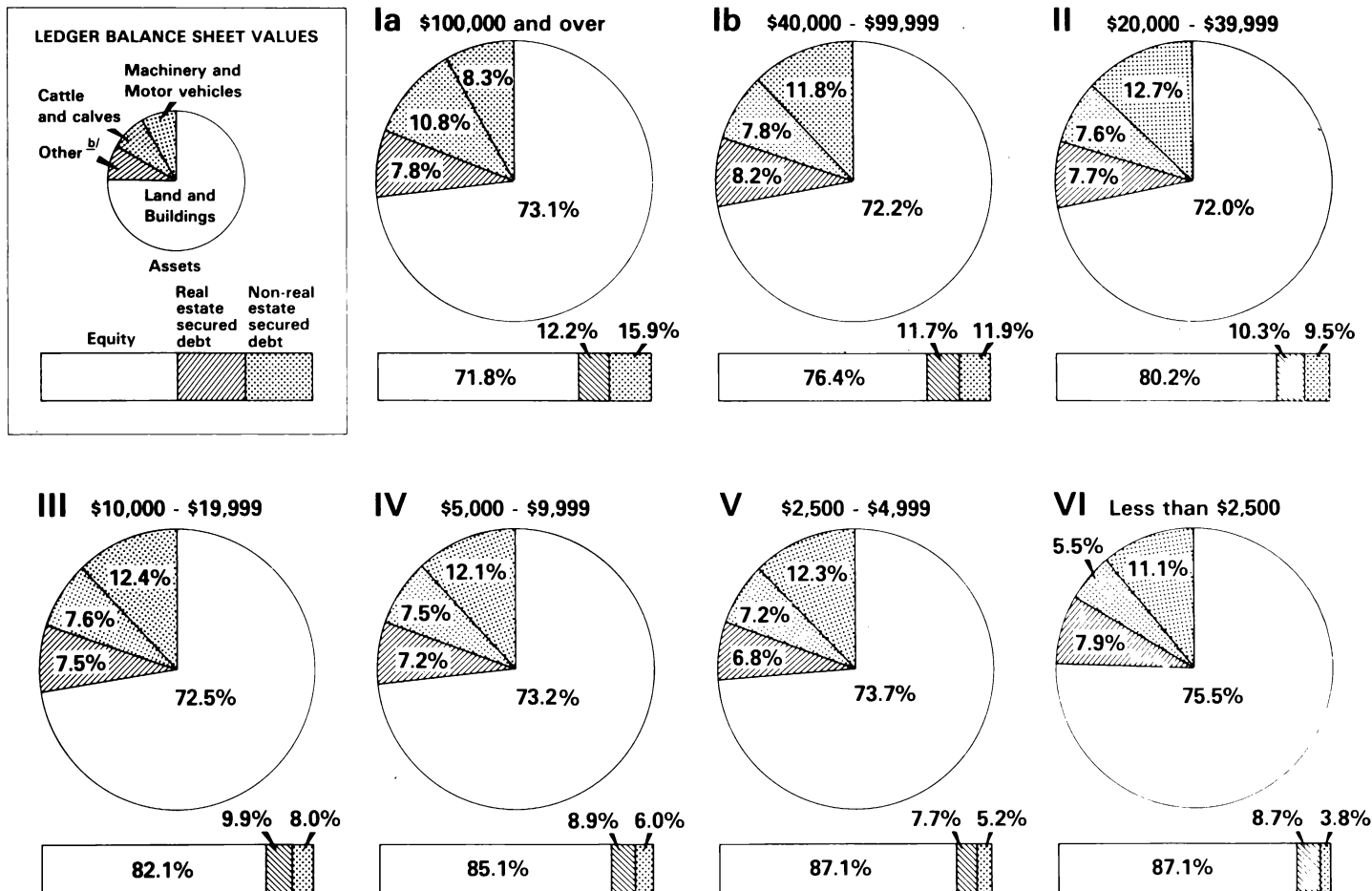
Table 3--Average per farm assets, debts, income, and financial ratios, 1970

Item	Economic class 1/							All farms
	Ia	Ib	II	III	IV	V	VI	
	\$100,000 and over	\$40,000- \$99,999	\$20,000- \$39,999	\$10,000- \$99,999	\$5,000- \$9,999	\$2,500- \$4,999	Less than \$2,500	
-----Dollars-----								
Production assets:								
Land and buildings	531,402	190,586	115,154	74,598	47,380	32,951	19,162	63,316
Machinery and motor vehicles	60,206	31,146	20,235	12,813	7,829	5,479	2,821	10,002
Cattle and calves	78,565	20,558	12,192	7,842	4,854	3,213	1,395	6,824
Other 2/	56,573	21,511	12,406	7,665	4,646	3,041	2,010	6,662
Total assets	726,746	263,801	159,987	102,918	64,709	44,684	25,391	86,804
Production debts:								
Real estate secured	89,028	30,950	16,491	10,189	5,727	3,452	2,208	8,925
Non-real estate	115,690	31,357	15,151	8,238	3,922	2,333	974	8,142
Total	204,719	62,307	31,642	18,428	9,650	5,786	3,183	17,068
Equity	522,027	201,493	128,345	84,489	55,058	38,898	22,208	69,736
Farm income 3/	325,708	68,524	33,091	17,658	9,207	4,726	1,811	19,009
Production expenses	272,351	48,958	21,812	11,312	5,944	4,162	1,403	14,008
Net farm income	53,357	19,566	11,278	6,345	3,262	563	408	5,001
Allowance for operator and family labor	8,815	4,413	3,568	2,648	2,569	2,752	1,665	2,596
Allowance for management	8,387	3,294	2,015	1,272	730	325	101	942
Net return to equity 4/	36,153	11,858	5,694	2,425	-38	-2,514	-1,359	1,461
-----Percent-----								
Ratios:								
Net return to equity	6.9	5.9	4.4	2.9	-0.1	-6.5	-6.1	2.1
Total debt to asset values	28.2	23.6	19.8	17.9	14.9	12.9	12.5	19.7
Real estate debt to land and building values	16.8	16.2	14.3	13.7	12.1	10.5	11.5	14.1
Non-real estate debt to non-real estate assets	59.2	42.8	33.8	29.1	22.6	19.9	15.6	34.7
Net farm income to total debt.....	26.1	31.4	35.6	34.4	33.8	9.7	12.8	29.3
-----Dollars-----								
Debt to equity	0.39	0.31	0.25	0.22	0.18	0.15	0.14	0.24
Total assets to equity	1.39	1.31	1.25	1.22	1.18	1.45	1.14	1.24
Total asset value to gross farm income	2.23	3.85	4.83	5.83	7.03	9.45	14.02	4.57
Total asset value to net farm income	13.62	13.48	14.19	16.72	19.84	79.37	62.33	17.36

1/ Economic value based on value of gross farm sales. 2/ Includes such assets as hogs and pigs, sheep, poultry, horses, grains and fibers stored, demand deposits and currency, and equity in farm cooperatives. 3/ Includes income from machine hire, custom work, recreation services, value of home consumption, net change in values of farm crops and livestock inventories, and net earnings to equity in farm cooperatives.

4/ Returns to operator and unpaid family labor, management, and equity capital.

VALUE OF ASSETS, LIABILITIES AND EQUITY, U.S. FARM PRODUCTION SECTOR BY ECONOMIC CLASS OF FARMS, 1970 ^{a/}



^{a/}ECONOMIC CLASS CATEGORIES ARE SHOWN IN PROPORTION TO THEIR TOTAL VALUE OF FARM ASSETS.

^{b/}OTHER ASSETS, INCLUDE HOGS & PIGS, SHEEP, POULTRY, HORSES, STORED GRAIN, FIBERS AND HAY, DEMAND DEPOSITS AND CURRENCY, AND EQUITY IN FARM COOPERATIVES

Figure 1

First, negative returns may have existed for 1970, but returns may have been positive in other years because of fluctuating commodity prices or production levels. Thus, an operator might anticipate a greater amount of more favorable earnings in certain years to make up for low earnings in other years. During 1960-75, average returns to all farms were significantly above the 1970 average in 5 of the 16 years (16).

Second, many smaller farms may have contemplated expanding to improve their earnings and temporarily tolerated low returns. Farm sizes have increased steadily over the past several decades, reflecting efforts by many farmers to improve earnings through enlargement. Recent land transfer data indicate that over 50 percent of farmland purchased is added to an existing farm unit (21).

Third, off-farm income is relatively more important on smaller units. 4/ Off-farm work or other off-farm sources attributed to 95 percent of the total income on class VI farms and 92 percent on class V farms (table 4). These additional sources of income appear to have had a major impact on the capacity of smaller farms to absorb low earnings from farm production. There are also tax advantages that lessen farm losses where they can be absorbed by operators with additional off-farm income.

Fourth, farmland and housing are often considered as a consumption item contributing support to the nonfarm activities. Any return from farming becomes viewed as a supplement to a primary nonfarm occupation.

Fifth, the possibility exists that farm operators may accept less for their equity, labor, or management than they might conceivably earn if they based these resources on a market price alternative. Nonmonetary factors may be so important that they offset negative earnings based on market price alternatives. Closely related to this is the problem of using prices in the residual imputation procedure that overcharge for operator and family labor and management, and thereby understating residual earnings to equity. However, prices used for these inputs probably would have to substantially deviate from those assumed in the analysis to change the basic findings of this study. Also, the fact that smaller farm operators may rely on returns to labor and management, which have been previously deducted, could partially explain their continued existence.

Sixth, the potential for capital gains, especially on the land resource, may explain why some smaller farmers exist on negative returns. These farmers may be willing to accept low earnings to equity in the short run if their net worth has the potential for increasing through capital gains. For example, the increase in the average price of land during 1970 was 3.9 percent, a substantial return (table 5). Although the additional returns were less on smaller units than on larger units because of increased land prices, the impact on returns for all sizes was substantial. Returns from capital appreciation on land add nothing to cash flows until land is sold, but a higher level of net worth can be used as security for real estate loans.

RETURNS FOR FARM PRODUCTION REGIONS

Average rates of returns to equity varied substantially among the 10 major farm production regions, from less than 0.5 percent in the Northeast and Appalachian regions to 4.5 percent in the Delta. Increasing returns to equity for larger economic class sizes were found in each production region. Returns to equity were generally negative on smaller farms but increased substantially with size. For instance, the Appalachian

4/ Off-farm income refers to cash wages, salaries, commissions and tips from all jobs, operations from nonfarm business or professional practices, income from social security, pensions, retirement pay, veteran's payments, annuities, unemployment insurance, workmen's compensation, old age assistance, net rental of nonfarm property, interest dividends, mineral leases, and recreational services.

Table 4--Average total farm and off-farm income per farm, 1970

Economic class category	Gross farm sales	Net farm income <u>1/</u>	Off-farm income	Total income	Off-farm income as share of total
		<u>Dollars</u>			<u>Percent</u>
Class Ia	\$100,000 and over	53,357	7,617	60,974	12
Class Ib	\$ 40,000 - \$99,999	19,566	3,950	23,516	17
Class II	\$ 20,000 - \$39,999	11,278	3,358	14,636	23
Class III	\$ 10,000 - \$19,999	6,345	4,187	10,532	40
Class IV	\$ 5,000 - \$ 9,999	3,262	5,448	8,710	63
Class V	\$ 2,500 - \$ 4,999	563	6,183	6,746	92
Class VI	Less than \$2,500	408	7,432	7,840	95
All farms		5,001	5,874	10,875	54

1/ Returns to operator and unpaid family labor, management, and equity capital

Table 5--Additional rate of return due to land price increase, 1970

Economic class category	Gross farm sales	Rate of return to equity	Additional returns from land appreciation <u>1/</u>	Combined rate of return
			Percent	
Class Ia	\$100,000 and over	6.9	3.9	10.8
Class Ib	\$ 40,000 - \$99,999	5.9	3.7	9.6
Class II	\$ 20,000 - \$39,999	4.4	3.5	7.9
Class III	\$ 10,000 - \$19,999	2.9	3.4	6.3
Class IV	\$ 5,000 - \$ 9,999	-0.1	3.3	3.2
Class V	\$ 2,500 - \$ 4,999	-6.5	3.2	-3.3
Class VI	Less than \$ 2,500	-6.1	3.3	-3.2
All farms		2.1	3.5	5.6

1/ Based on an average increase in average land values of 3.9 percent during 1970 (3).

region, with a composite average return of 0.4 percent, had 17.3 percent of all farms, but nearly 85 percent of these units had farm sales of less than \$10,000. The proportion of smaller farms was relatively less in other regions, and the lower earnings appeared to have less effect on lowering the composite regional average. The Corn Belt, for example, accounted for 21.8 percent of all farms, but 58 percent had less than \$10,000 in farm sales. The composite return for all farms in the Corn Belt was somewhat higher, at 2.6 percent.

In the Pacific region, returns to equity appeared to be generally low for nearly every economic class relative to other regions. In this area, land and building values generally constituted a higher share of all assets. The real estate market was generally well developed. The influence of off-farm investors and the demand for land for nonfarm use may have inflated land values relative to farm income more than in other regions.

Differences in rates of return among farm production regions for 1970 may have resulted from several factors, including the short run effects of different weather and price situations. The average dollar value of assets, debts, and net farm income, and resulting financial ratios, varied substantially for the same economic size class, usually reflecting different types of farms among regions. Assets per farm with a given sales level were generally much higher where livestock was a major component of farm sales, as in the Mountain and Southwest regions. Land and other asset requirements are high in relation to livestock receipts.

Financial ratios within a farm production region were generally consistent across farm sizes (table 6). Generally, debt in relation to asset ratios was consistently higher as farm size increased. The ratio of total assets utilized per dollar of gross farm income and net income in each region also declined as farm size increased, indicating less capital required per dollar of income (table 6).

Debt load and likely debt repayment capacity varied among regions. For instance, the ratio of net farm income to total debt was generally highest in the Delta region and lowest in the Mountain region (table 6). This ratio was generally highest for economic classes III and II (\$10,000 to \$39,999 gross farm sales). This indicates a favorable position for these classes with respect to increasing debt capacity relative to other class sizes. During the 1970 benchmark year, classes III and II held 36 percent of total debt. The larger classes, with generally lower levels of net farm income to debt, held 44 percent of total debt. The smaller farms with less than \$10,000 gross farm sales, and relatively low ratios of net income to debt, held only 20 percent of total debt.

Off-farm income was relatively more important on smaller farms and partly explains why these units can exist on low farm returns. On farm sizes with less than \$10,000 gross farm sales, off-farm income ranged from about one-third to all of total net income. The Northern Plains had the smallest proportion of total income from off-farm sources, and the Appalachian region had the largest proportion.

CONCLUSIONS

Disaggregation of the national balance sheet and income accounts by farm size and geographical regions showed increasing returns to equity with increasing economic class sizes. The average return for U.S. farms was 2.1 percent in 1970. Farms could be classed into two size groups (over and under \$10,000 of gross farm sales) to illustrate the contrast in returns. The smaller farms made up two-thirds of all farms, accounted for 29 percent of all assets, and earned negative returns to equity capital. The farms with over \$10,000 gross sales accounted for 71 percent of all assets and earned returns above the composite average. Rates of return varied substantially among the 10 major farm production regions, but the relationship between increasing returns to equity and increasing class size was evident. The potential for capital gains, especially on land,

Table 6--Farm production regions: Financial ratios by economic class of farm, 1970

Region and item	Economic class 1/							
	Ia	Ib	II	III	IV	V	VI	A11
	\$100,000	\$ 40,000- \$100,000	\$20,000- \$39,999	\$10,000- \$19,999	\$5,000- \$9,999	\$2,500- \$4,999	Less than \$2,500	farms
	Percent							
Northeast:								
Net return to equity	7.6	6.4	4.5	0.9	-2.3	-14.7	-10.8	0.2
Total debt to assets values	25.5	21.0	21.3	15.0	11.7	10.8	9.9	17.7
Real estate debt to land and building values	17.6	15.4	14.8	10.2	9.9	8.6	8.3	12.8
Non-real estate debt to non-real estate assets	42.7	31.2	31.8	24.2	15.9	16.0	14.2	27.6
Net farm income to total debt	0.34	0.40	0.39	0.41	.33	n/a	.04	.33
Debt to equity	0.34	0.27	0.27	0.18	.13	.12	.11	.22
Total assets to total farm income	1.60	2.80	3.40	4.50	6.70	9.90	13.90	3.60
Total asset value to net farm income	11.40	11.90	12.10	16.20	25.70	n/a	241.50	16.90
Lake States:								
	Percent							
Net return to equity	9.1	8.4	8.1	5.7	-2.6	-11.2	-13.3	2.3
Total debt to assets value	41.2	31.1	24.1	20.6	17.7	16.8	15.7	23.2
Real estate debt to land and building values	28.1	25.0	21.1	17.1	14.6	14.0	17.9	19.5
Non-real estate debt to non-real estate assets	61.0	40.6	28.4	25.9	23.0	22.0	11.1	29.0
Net farm income to total debt	.22	.30	.43	.45	.38	.11	.11	.34
Debt to equity	.70	.45	.32	.26	.22	.20	.32	.30
Total assets to total farm income	1.8	3.1	3.6	4.1	5.2	7.2	10.4	3.9
Total asset value to net farm income	10.9	10.6	9.6	10.8	14.7	51.7	57.0	12.5
Corn Belt:								
	Percent							
Net return to equity	6.3	6.1	4.8	3.0	-0.2	-3.9	-10.0	2.6
Total debt to assets value	33.4	20.5	18.1	15.8	16.4	12.1	16.1	18.7
Real estate debt to land and building values	18.4	13.8	13.6	11.9	14.2	9.6	15.3	13.6
Non-real estate debt to non-real estate assets	66.3	38.2	31.0	27.3	22.2	18.9	18.4	32.8
Net farm income to total debt	.21	.36	.37	.35	.29	.10	.08	.30
Debt to equity	.50	.26	.22	.19	.20	.14	.19	.23
Total assets to total farm income	2.2	4.0	5.1	6.2	6.9	9.5	13.6	4.9
Total asset value to net farm income	14.4	13.7	14.9	18.0	21.2	85.1	78.1	17.6

See footnote at end of table.

Continued

center for disseminating market information and arranging for border crossing and the sale of the product to the various buyers or their agents, many of whom have offices in Nogales. Problems of communication between producers and border distributors no doubt contribute to some inefficiencies in marketing. Sales commissions run as high as 12 percent of the gross price f.o.b. at Nogales.

Table 9--Trends in wage rates and yields for vegetable crops in Culiacan, Mexico

Season	:	Daily wage for farmworkers	:	Exportable yields per acre for--			
				Tomatoes	Peppers	Cucumbers	Eggplant
		Dollars		Cartons	-----Bushels-----		
1967/68	:	1.82	:	463	187	131	533
1968/69	:	2.12	:	490	318	195	453
1969/70	:	2.44	:	619	366	169	620
1970/71	:	2.44	:	633	274	220	368
1971/72	:	2.88	:	424	134	142	290
1972/73	:	2.88	:	572	298	238	479
1973/74	:	3.40	:	478	503	279	381

Source: Analisis de la Situacion Agricola de Sinaloa, Boletin Bimestral, Confederacion de Asociaciones Agricolas del Estado de Sinaloa, No. 84, July/August 1973.

No inspection facilities are provided in producing areas, and sometimes a truckload is rejected at the border after incurring transportation costs from Culiacan to Nogales. Credit for vegetable production is not generally available from commercial or government banks in Mexico because of the high risks involved. Much of the production capital is provided by distributors in Nogales.

Table 10--Input price indices in Mexico

Type of input	:	Price index for--		
		1970	:	1972 : 1973/74
		1968=100		
Wages	:	134	:	158 186
Fertilizers ^{1/}	:	81	:	74 98
Machinery	:	106	:	115 120
Cartons	:	100	:	133 154
Transportation	:	108	:	118 130

^{1/} Assumes a weighted average of fertilizers according to actual use.

Source: Analisis de la Situacion Agricola de Sinaloa, CAADES, No. 84, July/August 1973, plus information gathered by field visits.

Table 6--Farm production regions - Financial ratios by economic class of farm, 1970--Continued

Region and item	Economic Class								All farms
	Ia	Ib	II	III	IV	V	VI		
	\$100,000	\$ 40,000- \$100,000	\$20,000- \$39,999	\$10,000- \$19,999	\$5,000- \$9,999	\$2,500- \$4,999	Less than 2,500		
Southern Plains:	Percent								
Net return to equity	6.2	5.4	4.1	3.7	1.6	-4.8	-4.4	1.9	
Total debt to assets value	23.2	20.3	18.8	17.9	11.0	11.6	12.2	16.8	
Real estate debt to land and building values	10.6	13.6	12.6	13.3	8.4	8.4	9.2	11.1	
Non-real estate debt to non-real estate assets	60.0	45.4	42.7	36.5	21.1	24.4	23.9	38.3	
Net farm income to total debt	Dollars								
	.26	.30	.30	.27	.34	.07	.05	.25	
Debt to equity	.30	.25	.23	.22	.12	.13	.14	.20	
Total asset value to total farm income	2.4	5.3	6.5	8.0	9.8	13.4	21.1	6.1	
Total asset value to net farm incomes	16.7	16.7	17.7	20.8	27.2	122.5	156.6	24.0	
Mountain:	Percent								
Net return to equity	8.6	5.4	4.2	3.3	1.9	-3.9	-5.1	3.2	
Total debt to assets value	35.9	27.8	21.4	22.4	15.6	17.0	7.5	23.9	
Real estate debt to land and building values	20.3	21.2	17.0	17.2	12.3	15.0	6.7	16.6	
Non-real estate debt to non-real estate assets	68.6	43.2	33.9	35.5	25.9	22.7	12.8	43.3	
Net farm income to total debt	Dollars								
	.19	.23	.25	.24	.22	n/a	.19	.21	
Debt to equity	.56	.39	.27	.29	.18	.21	.08	.31	
Total asset value to total farm income	2.2	5.0	6.7	7.2	10.1	12.3	21.7	4.8	
Total asset value to net farm income	14.5	15.6	18.3	18.7	28.8	n/a	n/a	19.7	
Pacific:	Percent								
Net return to equity	4.2	2.0	1.2	0.2	-1.7	-10.9	-5.5	0.8	
Total debt to assets value	24.9	24.5	14.4	20.8	17.3	12.6	10.4	20.5	
Real estate debt to land and building values	15.1	17.9	9.8	18.3	17.3	10.1	9.7	14.2	
Non-real estate debt to non-real estate assets	64.0	61.5	41.6	32.2	17.2	25.1	16.0	50.5	
Net farm income to total debt	Dollars								
	.25	.24	.30	.20	.15	n/a	n/a	.21	
Debt to equity	.33	.32	.17	.26	.21	.14	.12	.26	
Total asset value to total farm income	2.6	4.5	7.3	7.2	9.4	16.2	35.2	4.2	
Total asset value to net farm income	16.4	16.7	23.3	24.2	39.8	n/a	n/a	22.7	

1/ Economic class based on value of gross farm sales.

plus additional income from off-farm sources, could explain how small farmers exist on negative farm returns.

Additional returns to equity because of appreciation in land values increased the U.S. return from 2.1 percent to 5.6 percent in 1970. Additional returns were less on smaller units, but the impact on returns for all sizes was substantial.

Although it is difficult and perhaps risky to draw inferences from 1 year of benchmark data, several points appeared significant for the future structure of the farm production sector:

1. Incentives to increase the size of farms will probably continue, particularly for commercial size farms. Operators with potential for higher equity returns will bid for land and other resources, and land prices will reflect the higher earnings from these units and not necessarily be based on the discounted value of average income flows. Higher returns associated with larger farms will also provide incentives for investments by nonfarm investors into farm production. Large multi-unit corporations are presently more evident among larger farms with over \$100,000 gross farm sales (11, 12).

2. Demand for loan funds will substantially increase with the upward mobility in farm sizes and the tendency will be for these units to use more debt as a proportion of asset values. Large production units with high capital requirements could also bring more equity financing, particularly if the present financial system is inadequate to meet needs for loan funds. Additional research is needed to explore the relation between future farm capital requirements and sources of funds by both equity and debt financing.

3. The close relationship between farm size and returns to equity suggests the problem inherent in using a composite average for all farms to represent the national farming economy, as farms vary greatly in size, capital structure, and type of production. The high proportion of income from off-farm sources among smaller size classes shows that farming is not a primary source of income for many farmers. For instance, on farms with less than \$5,000 gross farm sales, over 90 percent of the total income was from off-farm sources. Generally, these small farms have little resemblance to commercial agriculture, and data that include the use of noncommercial farm resources as a measure of farm profit are questionable.

4. The differences in returns to equity and financial structure that exist among sizes of farms make it important that data reflect the degree of breakdown necessary to accurately determine farm operating financial conditions and resource allocations. This is especially important in situations that involve Government policy. For instance, Government price support programs based on average farm earnings or average costs for all farms will likely overestimate costs or underestimate earnings on larger operations that control a majority of production assets. Government price supports based on composite average farm earnings will result in larger farms benefiting proportionally more than smaller farms. The results under these conditions are higher resource prices (primarily land) and a widening in the level of returns to equity between smaller and larger farms.

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APPENDIX

Distribution Procedures

Distribution of the national balance sheet of the farming sector and farm income accounts was made to farm production regions by economic class categories in order to estimate benchmark earnings to equity capital for calendar year 1970. Control values for the farm production sector are shown in appendix tables 1 and 2. Estimates of values for the farm production sector were derived by deducting the household element from the balance sheet (as of Jan. 1, 1970) and farm income accounts (calendar year 1970) (17, 18). Where possible, the distribution of control totals to economic classes was based on the use of first approximations of distributions from average benchmark measures. Benchmark estimates used were primarily from empirical data derived from the 1969 Census of Agriculture and the 1970 Census Survey of Farm Finance (22, 23). The resulting data are believed to be relatively close to a measure of the financial conditions that existed in 1970, which are representative of the structural differences that currently exist.

Farm Numbers

Total farm numbers are available by State and farm production regions from the Statistical Reporting Service (SRS) (15). The Economic Research Service (ERS) estimates farm numbers by economic class at the national level (18). Based on these estimates, distribution was made to each farm production region according to the relation between farm numbers at the national and regional levels, as indicated in the 1969 Census of Agriculture. Numbers were then added across economic classes in each region to determine total farm numbers in commercial farm economic classes. The sum of economic classes I to V was subtracted from the known number of total farms in each region to determine the noncommercial "other farms" category.

Balance Sheet Accounts

Value of Land and Buildings--Estimates of the value of land and buildings for all farms are available in the Balance Sheet of the Farming Sector (BSFS). The data, however, reflect estimates of the value of household dwellings. The BSFS value is based on end-of-year data from the 1969 Census of Agriculture, and estimates are available by States and farm production regions. Regional control values were allocated to economic class sizes based on the same relative proportion that existed in the value of land and buildings, as contained in the Farm Finance Survey of 1970. The average value of land and buildings was multiplied by 1970 farm numbers to determine the relative distribution.

The total value of land and buildings in the BSFS was reduced by the value of household dwellings in order to determine the value of real estate associated with farm production. The value of farm dwellings for all farms was determined by States and then farm production regions. Control values for farm dwellings were distributed to economic classes in the same proportion as the value of gross rental from farm dwellings. Gross rental value estimates were established from the latest benchmark, a 1961 survey of consumer expenditures (20).

Machinery and Motor Vehicles--The estimates for the BSFS value of machinery and motor vehicles were modified to exclude automobiles and trucks used for nonfarm purposes. It was assumed that for farms reporting motor vehicles in the 1969 Census, a proportion of their value was associated with nonfarm use. This proportion was estimated to be 60 percent of the value of an automobile and 25 percent of the value of a truck.

Appendix table 1--The U.S. farm and household balance sheet account and the farm production sector account, 50 States, January 1, 1970

Item	: National : farm and : household 1/ : accounts	: Farm : production : sector 2/ : accounts	: Production : sector as : percent of : total
	- - - Billion dollars -		Percent
Assets:			
Land and buildings	: 206.86	: 187.05	: 90.4
Farmland and buildings	: 187.05	: 187.05	: 100.0
Farm housing	: 19.81	: 0	: 0
Household equipment and furnishings	: 9.70	: 0	: 0
Machinery and motor vehicles	: 32.30	: 29.55	: 91.5
Cattle and calves	: 20.16	: 20.16	: 100.0
Hogs and pigs	: 2.22	: 2.22	: 100.0
Sheep and lambs	: .51	: .51	: 100.0
Chickens (excluding broilers)	: .54	: .54	: 100.0
Broilers	: 0	: .16	: N/A
Turkeys	: .04	: .04	: 100.0
Horses and ponies	: 0	: .09	: N/A
Crops stored	: 10.92	: 4.12	: 37.7
Demand deposits and currency (working)	: 6.38	: 4.78	: 75.0
Time deposits and U.S. bonds	: 9.25	: 0	: 0
Equity in farm cooperatives	: 7.20	: 7.20	: 100.0
Total Assets	: 306.08	: 256.42	: 83.8
Liabilities:			
Real estate debt	: 29.18	: 26.37	: 90.4
Non-real estate debt	: 3/27.07	: 24.06	: 88.9
CCC loans	: 2.70	: 0	: 0
Total liabilities	: 58.95	: 50.43	: 85.5
Equity	: 247.13	: 205.99	: 83.4

N/A = not available.

1/ Balance Sheet of the Farm Sector, Agr. Inf. Bul. 389, Sept. 1975, U.S. Dept. Agr., Econ. Res. Serv.

2/ The farm production sector excludes the value of farm household dwelling and equipment furnishings, trucks, automobiles, savings accounts, and debts associated with household element.

3/ Shortly following the completion of this study, the estimate of non-real estate debt was revised downward to \$21.1 billion. Although this represents a substantial reduction, it was judged that the basic results of this study would not be affected, and the original estimate would be maintained in the disaggregation.

Appendix table 2--The U.S. farm and household income account and the farm production sector account, 50 States, 1970

Item	: National : farm and : household : income : accounts 1/	: Farm : production: : sector : accounts	: Production : sector : as percent : of total
	: - - - Billion dollars -		Percent
Income:			
Cash receipts from farm marketings	: 50,538.7	50,538.7	100.0
Government payments	: 3,717.4	3,717.4	100.0
Custom work, recreation, and machine hire	: 543.4	543.4	100.0
Value of home consumption	: 750.6	750.6	100.0
Net change in farm inventories	: 5.9	5.9	100.0
Gross rental value of farm dwelling	: 3,019.0	--	--
Net income from farm co-ops	: --	602.1	--
Total	: 58,575.0	56,158.1	95.9
Expenses:			
Production items	: 44,572.4	2/41,384.1	92.8
Net income to operator, family labor, management, and equity	: 14,002.6	14,774.0	105.5

1/ Farm Income Statistics, Stat. Bul. 547, U.S. Dept. Agr., Econ. Res. Serv., July 1975.

2/ The farm production sector excludes items related to the farm household such as, repairs, depreciation, taxes, insurance, and interest expenses on farm operator's dwelling and net rent to nonoperator landlords. Farm production expenses include livestock and poultry purchased, feed, seed, hay, fertilizer, fuel, hired farm labor, contract labor, machine hire and custom work, depreciation, taxes, interest, insurance, repairs, and other expenses related to the farm business.

Given the temperature and rainfall distribution, the natural tendency is to concentrate shipments of tomatoes in February, March, and April. Earlier plantings are hampered by late summer rains and sun damage to young plants. Later plantings encounter stiff competition from Florida and other U.S. production areas for May-June markets. Sixty-five percent of Mexican tomato exports occurs in February, March, and April and the rest in November, December, January, May, and June.

Mexico: Regulations and Controls

Some control over production and sales is exerted by grower associations through State and National cooperative federations. Until the 1973/74 season, regulations were largely confined to quality and size controls, container specification, shipping holidays in times of temporary oversupply, and specification of maximum acreages for each producer and packing plant. But because of a consistent tendency to concentrate shipments in February and March, an attempt was made for the first time in 1973/74 to alter the seasonal timing of plantings to obtain a more economical pattern of shipments. This was to be accomplished by required approval of the planting schedule of each producer.

Regulative control is accomplished by a committee composed of about 15 members of local and regional grower associations, plus 2 from the National Growers Association (Union Nacional de Productores de Hortalizas) and 1 from the Minister of Agriculture's office. Penalties are provided for growers or packers who violate control provisions.

Cost Comparison: Florida and Mexico

Table 13 gives cost estimates for staked tomatoes, and table 14 gives estimates for ground tomatoes. Cost estimates for staked tomatoes are available for three areas in Florida: east coast, west coast and Manatee. The estimate given in table 13 was obtained by weighting the estimates from each area by the acreage in each area, as follows: east coast .30, west coast 0.60, and Manatee 0.10. Yield was assumed to be 800 30-pound cartons per acre. Costs do not include charges for ripening.

Cost estimates for Mexico refer to production in Culiacan. Exportable yield is assumed to be 875 30-pound cartons. Actually, only about 70 percent of the production is exported. The remaining 30 percent usually of non-exportable quality, is sold in Mexico.

Cost estimates for ground tomatoes are available for both Florida's east and west coasts. The estimate presented in table 14 was weighted at 0.67 east coast and 0.33 for west coast. Although costs per acre are less than half of the cost for staked tomatoes, the lower yields result in costs per carton which are very similar to those costs for staked tomatoes.

Mexico had a decided advantage over Florida in the cost of producing staked tomatoes: \$.94 versus \$2.65 per 30-pound carton. But the difference was nearly offset by Mexico's higher costs of marketing--harvesting, packing,

Financial Assets--The BSFS includes four categories of financial assets: currency, demand deposits, time deposits, and U.S. savings bonds. It was assumed that three-fourths of the value of demand deposits and currency on hand, as reported in the balance sheet, could be used to represent working capital needs. Time deposits and bonds were considered accumulated savings belonging to the household element, and were excluded in determining production assets. For 1970, adjusted control values at the U.S. level were allocated to farm production regions in relation to the level of cash on hand and in banks, based on benchmark data from the 1966 Pesticide and General Farm Survey (11). Control values were allocated within farm production regions to economic classes based on this same benchmark data.

Net Worth in Farm Cooperatives--The BSFS includes net worth estimates for marketing and supply cooperatives, farmers mutual insurance companies, rural electric cooperatives, (telephone and electric), Production Credit Association (PCA), and Federal Land Bank Associations (FLB). Allocation of control values to farm production regions and economic classes was based on several underlying assumptions. Allocation to regions for supply and marketing cooperatives was based on distributional net worth data from the Farmer Cooperative Service (4). Allocation of regional values to economic classes for supply cooperatives was based on the relative value of feed, fertilizer, and petroleum inputs purchased, as determined from the 1969 Census. For marketing cooperatives, allocation to economic classes was based on the relative value of farm products sold, as determined from the 1969 Census.

Regional net worth estimates for farmers mutual insurance companies were based on the relative value of buildings on farms, as indicated in the 1970 Farm Finance Survey. Allocation of regional values to economic classes was also based on relative building value.

Regional values for farmers mutual irrigation were based on information in the 1969 Census on the relative number of acres irrigated. Allocation to economic classes was also based on the relative importance of irrigated acres.

Allocation of net worth to regions for rural electric cooperatives was based on State data supplied by the U.S. Department of Agriculture Rural Electrification Administration (REA). Distribution of regional control values was based on the relative importance of farm numbers in each economic class.

Regional values of the net worth in PCA and FLB cooperatives were based on annual summary reports published by these agencies (3). Distribution of farm region control values for the PCA to economic classes was based on the relative amount of non-real estate debt from the 1970 Farm Finance Survey. Distribution of regional values for the FLB was based on the relative amount of real estate debt for each economic class from the same source.

Farm Real Estate Debt--Total farm real estate debt was determined by reducing the BSFS estimate of farm debt to exclude debt associated with farm household dwellings. Debt on farm dwellings was assumed in the same proportion of the total debt as the dwelling value was to total value of land and buildings (app. table 1). The BSFS value is available by States and farm production regions for the "all farms" category. To allocate farm region control values to economic classes, a relative distribution was determined from estimates derived from the 1970 Farm Finance Survey (23). Regional values were totaled vertically to determine U.S. values by economic classes.

Non-Real Estate Debt--Total non-real estate debt was determined by the same procedure as the real estate debt. Estimates of non-real estate debt held by institutional lenders is available by States and was used as a basis to allocate total non-real estate

debt to farm production regions for the "all farms" category. To allocate regional control values to economic classes, a relative distribution was determined from estimates of non-real estate debt derived from the 1970 Farm Finance Survey. Regional values were totaled vertically to determine U.S. values by economic classes.

Income and Expense Accounts

Farm Income--Cash income to the farm production sector includes cash receipts from farm marketings, Government payments, and recreational and custom services income. Also included are indirect sources of income, such as the value of home consumption, net changes in value of farm inventories, and net income to farm cooperatives. Regional farm production estimates of these income elements were estimated as a part of the national farm income accounts, except for net income from farm cooperatives.

Estimates of net earnings of cooperatives were available from the Federal Land Banks, Federal Land Bank Associations, and Production Credit Association (4). Net earnings from marketing and supply cooperatives were estimated from data of the Farmer Cooperative Service (5). Net earnings to the rural electric cooperatives were based on unpublished data supplied by the REA. It was assumed that earnings were 6 percent of equity for farmers mutual irrigation and farmers' mutual insurance companies.

Regional values of cash receipts, Government payments, and income from farm recreation and custom services were distributed to economic classes based on the value of these items in the 1969 Census. Regional values of home consumption of farm production were distributed to economic classes based on the relative distribution of farm numbers. Net changes in the value of farm inventory resulted from changes in crops and livestock values. The value of crops and livestock sold, as indicated in the 1969 Census, was used as a basis to distribute inventory change values by economic classes. The distribution of net earnings from cooperatives to economic classes was based on the relative net worth values assumed for each cooperative.

Production Expenses--The national farm and household income accounts were adjusted to exclude expenses associated with the farm household and also excluded net rent paid to nonoperator landlords. Household items included repairs, depreciation, taxes, interest, and insurance on the operator's dwelling (app. table 2). Allocation of regional control values to economic class categories was based on the relative distribution of production expenses from the 1969 Census. Data related to production expenses are available by States and farm production regions.

Imputed Labor and Management Allowances

Operator and Family Labor--The value of labor contributed by the operator and his family to farm production was based on the number of hours used in farm production times a wage rate for hired workers. Average wage rates paid to hired workers are available by regions from SRS (14). ERS estimates total hours used by operators and family members in farm production for the United States (13). The amount of labor contributed in each farm production region was based on the relative contribution of operator and family labor from the 1966 Pesticide and General Farm Survey (11).

The allocation of regional values to economic classes was based on labor data from the 1969 Census of Agriculture and the 1966 Pesticide and General Farm Survey (11). The average value of hired labor per farm for each economic class is available from the 1969 Census. It was assumed that the total value of labor per farm could be derived from the 1969 Census data, based on the proportion of total labor contributed by the operator and his family. The difference between the total value of labor required and the value of hired labor was determined by that furnished by the operator and his family. Derived

estimates of the value of operator and family members were multiplied by farm numbers in each economic class to determine the relative proportion of the regional control value allocated to economic classes.

Management Charge Allowances--The input value of management contributed by the operator was based on a percentage of the value of farm sales adjusted to exclude feed and livestock purchases. Management fee allowances ranged from 10 percent of adjusted gross farm sales on farms with \$10,000 and less gross farm income to 5 percent on farms with \$100,000 and above. These estimates of management fees were based on rates charged by a major management service firm.

Appendix table 3-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, UNITED STATES

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	55,009	177,991	343,023	390,026	397,027	435,030	-1,798,106	1,156,094	2,954,200
ALL FARMS (THOUSAND DOLLARS)									
PRODUCTION ASSETS:									
LAND & BUILDINGS	29,231,928	33,922,682	39,500,536	29,095,370	18,811,309	14,334,764	164,896,589	22,153,991	187,050,580
MACHINES & MOT VEHIC	3,311,921	5,543,722	6,941,407	4,997,768	3,108,531	2,383,892	26,287,241	3,262,102	29,549,343
CATTLE & CALVES	4,321,831	3,659,221	4,182,159	3,058,599	1,927,459	1,398,186	18,547,455	1,612,975	20,160,430
HOGS & PIGS	214,865	579,664	664,408	398,475	190,424	97,292	2,145,128	79,515	2,224,643
SHEEP POULTRY & HORSES	542,095	317,224	195,344	114,623	68,159	46,378	1,283,823	65,125	1,349,248
FEED GRAINS & HAY STORED	300,040	737,643	948,793	672,511	335,842	162,786	3,157,615	69,930	3,227,545
OTHER GRAINS & FIBERS STORED	175,010	216,293	220,659	149,610	74,607	33,673	869,852	22,485	892,337
DEMAND DEPOSITS & CURRENCY	343,850	650,496	837,451	665,167	574,620	513,402	3,584,986	1,198,014	4,783,000
EQUITY IN FARM COOPS	1,536,070	1,327,368	1,388,689	988,698	600,521	468,789	6,310,135	890,871	7,201,006
TOTAL ASSETS	39,977,610	46,954,313	54,879,446	40,140,821	25,691,472	19,439,162	227,082,824	29,355,308	256,438,132
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	4,897,383	5,508,917	5,656,797	3,974,286	2,274,131	1,502,152	23,813,666	2,553,315	26,366,981
NON-REAL ESTATE SECURE DEBT	6,364,008	5,581,340	5,197,248	3,213,343	1,557,451	1,015,145	22,928,535	1,127,098	24,055,633
TOTAL LIABILITIES	11,261,391	11,090,257	10,854,045	7,187,629	3,831,582	2,517,297	45,742,201	3,680,413	50,422,614
EQUITY	28,716,219	35,864,056	44,025,401	32,953,192	21,859,890	16,921,865	180,340,623	25,674,895	206,015,518
INCOME:									
CASH RECEIPTS	17,081,031	11,257,971	10,221,747	5,973,615	3,053,024	1,584,653	49,172,041	1,366,641	50,538,682
GOVERNMENT PAYMENTS	516,726	721,327	874,798	675,184	397,800	259,633	3,445,468	271,903	3,717,371
OTHER FARM INCOME <u>1/</u>	319,156	217,365	254,460	238,524	204,641	211,849	1,445,995	455,986	1,901,981
TOTAL INCOME	17,916,913	12,196,663	11,351,005	6,887,323	3,655,465	2,056,135	54,063,504	2,094,530	56,158,034
PRODUCTION EXPENSES	14,981,797	8,714,089	7,482,162	4,412,341	2,360,200	1,810,951	39,761,540	1,622,515	41,384,055
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	2,935,116	3,482,574	3,868,843	2,474,982	1,295,265	245,184	14,301,964	472,015	14,773,979
LESS OPT. & FAMILY LABOR ALLOWANCE	484,942	785,573	1,224,000	1,032,791	1,020,323	1,197,598	5,745,227	1,925,773	7,671,000
LESS MANAGEMENT FEE ALLOWANCE	461,402	586,372	691,466	496,243	290,127	141,642	2,667,254	117,388	2,784,643
NET INCOME TO EQUITY	1,988,771	2,110,628	1,953,376	945,947	-15,185	-1,094,056	5,889,482	-1,571,146	4,318,335
RATIO (PERCENT):									
NET RETURNS TO EQUITY	6.9	5.9	4.4	2.9	-0.1	-6.5	3.3	-6.1	2.1

SEE FOOTNOTES AT END OF TABLE

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during these months. Bell pepper exports are regulated by the grower associations in much the same way as tomatoes. Standards for quality, size, and color are set as well as for container sizes. In case of oversupply, size and quality restrictions may be tightened. No restrictions or quotas have yet been used. During the winter months, the price for Mexican peppers is about \$.50 to \$1.00 per bushel higher than for Florida peppers in New York and Chicago markets, 7/ indicating a somewhat higher quality.

Mexican consumption of bell peppers is very low and nonexportable qualities are usually destroyed. Some of the peppers, which are not exportable as fresh peppers, are dehydrated and then exported.

Cost Comparison: Florida and Mexico

As in the case of tomatoes, preharvest production costs for bell peppers are substantially lower in Mexico than in Florida. But higher costs of marketing largely offset the difference, so per-bushel costs f.o.b., Nogales, are only slightly lower than costs in Florida (table 15). Mexico's advantage is probably somewhat greater than is reflected in the cost figures, because Mexican peppers are normally higher in quality during the winter quarter.

Marketing costs for Florida and Mexico are constant per bushel. Nearly 75 percent of Mexico's costs are marketing costs, compared to only half for Florida. So, future improvements in yield and quality may strengthen Florida's position relative to Mexico's, since the spreading of pre-harvest production costs over a larger per acre volume could be a more significant cost-reducing factor for Florida. Wages costs for picking and packing represent a significant part of marketing costs. Hence, the Mexican policy of increasing minimum wages is likely to weaken Mexico's relative position in pepper exports, since these fixed per-unit wage costs cannot be spread over higher yields.

The tariff of 2.5 cents per pound makes up a substantial part of marketing charges for Mexico, and it affords considerable protection for Florida growers. Also, transport costs from Nogales to eastern U.S. markets are relatively high for peppers because of the low weight-volume factor and the long distances involved.

Mexico's advantages for marketing peppers in mid-winter is still significant, but it is diminishing rapidly with continued rapid increases in wages. Florida still holds a dominant position in the fall quarter and a very high share of the market in the spring quarter. Sun damage to young plants in Mexico makes early planting for the fall quarter costly, and disease damage in late plantings prevents significant expansion in the spring quarter. Thus Florida seems to be in a strong position for retaining its present share in the fall and spring quarters. In the winter quarter much will depend on future wage rates in Mexico. Continued rapid wage rate increases in Mexico will cause contraction in Mexico's share.

7/ Fresh Fruit and Vegetable Wholesale Market Prices, Annual Summaries of Weekly Prices for Chicago and New York, Market News Service, U.S. Dept. 1971-73.

Appendix table 3--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, UNITED STATES --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
<u>NUMBER OF FARMS</u>	1.9	6.0	11.6	13.2	13.5	14.7	60.9	39.1	100.0
<u>PRODUCTION ASSETS:</u>									
LAND & BUILDINGS	15.6	18.1	21.1	15.6	10.1	7.7	88.2	11.8	100.0
MACHINES & MOT VEHIC	11.2	18.8	23.5	16.9	10.5	8.1	89.0	11.0	100.0
CATTLE & CALVES	21.4	18.2	20.7	15.2	9.6	6.9	92.0	8.0	100.0
HOGS & PIGS	9.7	26.1	29.9	17.9	8.6	4.3	96.5	3.5	100.0
SHEEP POULTRY & HORSES	40.2	23.5	14.5	8.5	5.1	3.4	95.2	4.8	100.0
FEED GRAINS & HAY STORED	9.3	22.9	29.4	20.8	10.4	5.0	97.8	2.2	100.0
OTHER GRAINS & FIBERS STORED	19.6	24.2	24.7	16.8	8.4	3.8	97.5	2.5	100.0
DEMAND DEPOSITS & CURRENCY	7.2	13.6	17.5	13.9	12.0	10.7	74.9	25.1	100.0
EQUITY IN FARM COOPS	21.3	18.5	19.3	13.7	8.3	6.5	87.6	12.4	100.0
TOTAL ASSETS	15.6	18.3	21.4	15.7	10.0	7.6	88.6	11.4	100.0
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	18.6	20.9	21.4	15.1	8.6	5.7	90.3	9.7	100.0
NON-REAL ESTATE SECURE DEBT	26.4	23.2	21.6	13.4	6.5	4.2	95.3	4.7	100.0
TOTAL LIABILITIES	22.3	22.0	21.5	14.3	7.6	5.0	92.7	7.3	100.0
<u>EQUITY</u>	13.9	17.4	21.4	16.0	10.6	8.2	87.5	12.5	100.0
<u>INCOME:</u>									
CASH RECEIPTS	33.8	22.3	20.2	11.8	6.1	3.1	97.3	2.7	100.0
GOVERNMENT PAYMENTS	13.9	19.4	23.5	18.2	10.7	7.0	92.7	7.3	100.0
OTHER FARM INCOME <u>1/</u>	16.8	11.4	13.4	12.5	10.8	11.1	76.0	24.0	100.0
TOTAL INCOME	31.9	21.7	20.2	12.3	6.5	3.7	96.3	3.7	100.0
<u>PRODUCTION EXPENSES</u>	36.2	21.0	18.1	10.7	5.7	4.4	96.1	3.9	100.0
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	19.9	23.6	26.2	16.7	8.8	1.6	96.8	3.2	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	6.3	10.2	16.0	13.5	13.3	15.6	74.9	25.1	100.0
LESS MANAGEMENT FEE ALLOWANCE	16.6	21.1	24.8	17.8	10.4	5.1	95.8	4.2	100.0
<u>NET INCOME TO EQUITY</u>	28.4	30.2	27.9	13.5	0	0	100.0	0	100.0

SEE FOOTNOTES AT END OF TABLE.

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Appendix table 3-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, UNITED STATES --CONTINUED

ITEM	ECONOMIC CLASS							LESS THAN \$2,500	TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED		
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	73.1	72.2	72.0	72.5	73.2	73.7	72.6	75.5	72.9
MACHINES & MOT VEHIC	8.3	11.8	12.7	12.4	12.1	12.3	11.6	11.1	11.5
CATTLE & CALVES	10.8	7.8	7.6	7.6	7.5	7.2	8.2	5.5	7.9
HOGS & PIGS	0.5	1.2	1.2	1.0	0.8	0.5	0.9	0.3	0.9
SHEEP POULTRY & HORSES	1.4	0.7	0.4	0.3	0.3	0.2	0.5	0.2	0.5
FEED GRAINS & HAY STORED	0.8	1.6	1.7	1.7	1.3	0.8	1.4	0.2	1.3
OTHER GRAINS & FIBERS STORED	0.4	0.5	0.4	0.4	0.3	0.2	0.4	0.1	0.3
DEMAND DEPOSITS & CURRENCY	0.9	1.4	1.5	1.6	2.2	2.7	1.6	4.1	1.9
EQUITY IN FARM COOPS	3.8	2.8	2.5	2.5	2.3	2.4	2.8	3.0	2.8
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	43.5	49.7	52.1	55.3	59.4	59.4	50.9	69.4	52.3
NON-REAL ESTATE SECURE DEBT	56.5	50.3	47.9	44.7	40.6	40.3	49.1	30.6	47.7
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	95.3	92.3	90.1	86.7	83.5	77.1	90.9	65.2	90.0
GOVERNMENT PAYMENTS	2.9	5.9	7.7	9.8	10.9	12.6	6.4	13.0	6.6
OTHER FARM INCOME 1/	1.8	1.8	2.2	3.5	5.6	10.3	2.7	21.8	3.4
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	2/ 100.0	2/ 100.0	100.0	2/ 100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	16.5	22.6	31.6	41.7	77.9	89.4	40.2	94.3	51.9
LESS MANAGEMENT FEE ALLOWANCE	15.7	16.8	17.9	20.1	22.1	10.6	18.6	5.7	18.9
NET INCOME TO EQUITY	67.8	60.6	50.5	38.2	0	0	41.2	0	29.2

1/ INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

2/ DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

Shipments normally peak in January, but December and February are also months of heavy shipments.

Guasave and Fuerte Sur have had trouble with quality and yield and have not become important production areas. Shipments from these areas peak in March and April.

All soil preparation is done mechanically. Land preparation by tractor includes leveling of old canals and ditches, subsoiling, plowing, disking, leveling, and forming rows and canals. About 10 to 15 irrigations are required during growing and picking. Plants are pruned once, and runners are arranged twice. About seven applications of fertilizer and eleven applications of insecticides and pesticides are required.

Cucumbers are shipped mostly in 50-pound boxes, although frequently the larger cucumbers are packed in 16- to 17-pound cartons. Packing activities include washing, sizing, waxing, and placing in boxes. Cucumbers are not precooled but are cooled in the truck enroute to the border.

About 50-55 percent of field production is exported to the United States, and 20 percent is sold in the domestic market. The rest is wasted or fed to livestock.

Cost Comparison: Florida and Mexico

Preharvest production costs for cucumbers in Mexico are much lower than in Florida, but the high transport cost to Nogales, the U.S. tariff, and crossing charges more than offset the lower production costs (table 16). So the costs per bushel f.o.b. at Nogales are much higher than costs f.o.b. in Florida.

The tariff of 2.2 cents per pound from December through February and 3 cents for the rest of the season affords heavy protection to Florida growers. Because of the short growing and harvesting season and the extreme susceptibility of cucumbers to damage from cold temperatures, the actual cost of production probably varies a great deal between production in winter and in the other seasons. Florida has a very large share of the eastern U.S. markets in the spring and fall quarters, but midwinter production is low. Mexico produces mainly in the January to March quarter. These seasonal changes in market shares are likely to continue. It does not appear likely that Mexico will gain any further inroads in eastern U.S. markets.

Eggplant

Florida: Production Practices

Most of the eggplant production is in the southeastern area of Florida. The changes in technology for eggplant production are very similar to changes for pepper production. Containerized transplants and soil fumigation are becoming common. Full-bed mulch culture was practiced on an estimated one-third of the 1973/74 crop and was used on a greater scale during 1974/75. New hybrid varieties have also contributed to increased yields per acre.

Appendix table 4-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, NORTHEAST--CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	4,401	15,870	30,529	24,182	19,057	20,881	114,920	79,360	194,280
PRODUCTION ASSETS:	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	275,468	118,780	67,300	50,647	40,647	31,232	67,904	19,491	48,128
MACHINES & MOT VEHIC	52,558	29,858	18,758	12,258	8,956	7,528	16,551	4,329	11,559
CATTLE & CALVES	20,398	18,287	13,172	7,984	4,323	2,709	9,695	1,456	6,329
HOGS & PIGS	1,108	469	266	236	222	152	292	53	194
SHEEP POULTRY & HORSES	16,160	2,150	507	275	199	161	117	70	721
FEED GRAINS & HAY STORED	4,405	3,619	2,500	1,751	1,180	767	2,036	66	1,231
OTHER GRAINS & FIBERS STORED	4,428	940	381	289	220	110	518	16	313
DEMAND DEPOSITS & CURRENCY	5,104	3,143	2,159	1,508	1,270	1,020	1,916	900	1,501
EQUITY IN FARM COOPS	20,660	6,681	3,484	1,920	1,100	690	3,351	421	2,154
TOTAL ASSETS	400,294	183,930	108,530	76,872	58,121	44,372	103,438	26,807	72,135
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	48,613	18,301	9,983	5,189	4,014	2,690	9,287	1,611	6,152
NON-REAL ESTATE SECURE DEBT	53,321	20,311	13,092	6,345	2,774	2,099	10,501	1,039	6,636
TOTAL LIABILITIES	101,935	38,613	23,076	11,534	6,788	4,789	19,789	2,651	12,788
EQUITY	298,359	145,317	85,454	65,337	51,333	39,582	83,648	24,155	59,346
INCOME:									
CASH RECEIPTS	238,791	63,880	30,652	15,970	7,794	3,556	31,408	1,310	19,114
GOVERNMENT PAYMENTS	1,052	575	411	341	361	339	422	221	340
OTHER FARM INCOME <u>1/</u>	3,872	1,299	778	653	575	570	871	403	680
TOTAL INCOME	243,715	65,755	31,843	16,966	8,730	4,466	32,702	1,935	20,134
PRODUCTION EXPENSES	208,574	50,271	22,903	12,228	6,465	4,868	25,544	1,824	15,855
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	35,141	15,483	8,939	4,737	2,265	-401	7,158	111	4,279
LESS OPT. & FAMILY LABOR ALLOWANCE	4,406	3,169	3,215	2,957	2,766	5,136	3,475	2,603	3,119
LESS MANAGEMENT FEE ALLOWANCE	7,932	3,080	1,896	1,195	675	293	1,649	108	1,020
NET INCOME TO EQUITY	22,802	9,233	3,826	585	-1,176	-5,831	2,033	-2,601	140
RATIO (PERCENT):									
NET RETURNS TO EQUITY	7.6	6.4	4.5	0.9	-2.3	-14.7	2.4	-10.8	0.2

SEE FOOTNOTES AT END OF TABLE.

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Appendix table 4--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, NORTHEAST--CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	2.3	8.2	15.7	12.5	9.8	10.7	59.2	40.8	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	13.0	20.2	21.9	13.1	8.3	7.0	83.5	16.5	100.0
MACHINES & MOT VEHIC	10.3	21.1	25.5	13.2	7.6	7.0	84.7	15.3	100.0
CATTLE & CALVES	7.3	23.6	32.7	15.7	6.7	4.6	90.6	9.4	100.0
HOGS & PIGS	12.9	19.7	21.5	15.1	11.2	8.4	88.8	11.2	100.0
SHEEP POULTRY & HORSES	50.8	24.3	11.0	4.8	2.7	2.4	96.0	4.0	100.0
FEED GRAINS & HAY STORED	8.1	24.0	31.9	17.7	9.4	6.7	97.8	2.2	100.0
OTHER GRAINS & FIBERS STORED	32.0	24.5	19.1	11.5	6.9	3.8	97.8	2.2	100.0
DEMAND DEPOSITS & CURRENCY	7.7	17.1	22.6	12.5	8.3	7.3	75.5	24.5	100.0
EQUITY IN FARM COOPS	21.1	25.3	25.4	11.1	5.0	3.5	92.0	8.0	100.0
TOTAL ASSETS	12.6	20.8	23.6	13.3	7.9	6.6	84.8	15.2	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	17.9	24.3	25.5	10.5	6.4	4.7	89.3	10.7	100.0
NON-REAL ESTATE SECURE DEBT	18.2	25.0	31.0	11.9	4.1	3.4	93.6	6.4	100.0
TOTAL LIABILITIES	18.1	24.7	28.3	11.2	5.2	4.0	91.5	8.5	100.0
EQUITY	11.4	20.0	22.6	13.7	8.5	7.2	83.4	16.6	100.0
INCOME:									
CASH RECEIPTS	28.3	27.3	25.2	10.4	4.0	2.0	97.2	2.8	100.0
GOVERNMENT PAYMENTS	7.0	13.8	19.0	12.5	10.4	10.7	73.4	26.6	100.0
OTHER FARM INCOME 1/	12.9	15.6	18.0	12.0	8.3	9.0	75.8	24.2	100.0
TOTAL INCOME	27.4	26.7	24.8	10.5	4.3	2.4	96.1	3.9	100.0
PRODUCTION EXPENSES	29.8	25.9	22.7	9.6	4.0	3.3	95.3	4.7	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	18.4	29.3	32.5	13.6	5.1	0	98.9	1.1	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	3.2	8.3	16.2	11.8	8.7	17.7	65.9	34.1	100.0
LESS MANAGEMENT FEE ALLOWANCE	17.6	24.7	29.2	14.6	6.5	3.1	95.7	4.3	100.0
NET INCOME TO EQUITY	26.6	38.8	30.9	3.7	0	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

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Table 17--Costs of producing and marketing eggplants in Florida and Mexico, 1973/74

Cost item	Florida <u>1/</u>		Mexico <u>2/</u>	
	Acre	Bushel <u>3/</u>	Acre	Bushel <u>3/</u>
	<u>Dollars</u>			
Producing:				
Labor	322		92	
Supplies	369		234	
Machinery services	152		82	
Miscellaneous	144		77	
Total producing	987	1.87	485	0.72
Marketing:				
Harvest				.20
Pack		1.16		.90
Transportation to Nogales, Arizona				.58
Export charges				.15
U.S. tariff				.36
Sales commission		.17		.49
Total marketing		1.33		2.68
Total costs		3.20		3.40

1/ Based on D.L. Brooke's "Costs and Returns from Vegetable Crops in Florida, Season 1973-74 with Comparisons," Food and Resource Econ. Dept., Univ. Fla., Econ. Info. Rpt. 22, March 1975.

2/ Based on Confederacion de Asociaciones Agricolas del Estado de Sinaloa, "Costos de Produccion de los Principales Cultivos en los Distritos de Riego por Ciclos Agricolas," Culiacan, Mexico, June 1974.

3/ Yields are assumed to be 527 bushels per acre in Florida and 675 bushels in Mexico.

Strawberries

Florida: Production Practices

Currently most of the winter strawberries in Florida are produced in Hillsborough County and surrounding counties in west-central Florida. Dade County producers also raise significant amounts, and a small acreage of strawberries is still grown in the Bradford County area of north Florida.

Field preparation, including the laying of plastic, begins in September in Dade County and in the west-central production area. The first plants are set in the field in Dade County late in September and early in October. Planting in the west-central area follows 2 weeks later. All areas continue planting into November. Transplanting is usually completed by the end of November in

the south Florida areas and about a week later in most north Florida fields. The first harvest usually begins in the Dade County area and in the Hillsborough County area late in December. Harvesting intensifies during January and February, and the heaviest production occurs during March and April. Production in the Bradford County area usually starts during the first half of March and continues through April.

Strawberry cropping is a hand-harvest multiple-pick operation. Increasingly, in the more urban areas strawberries are harvested in a pick-your-own operation, although most of the crop still is commercially harvested. A large labor force is required for even a moderate-sized operation during the harvest season. Selection and some removal of defects is done during the harvesting. Sometimes berries are fieldpacked directly into pint containers, requiring rigorous selection in the field. In other operations, the berries are picked, placed in containers that hold about one quart, and carried to a packing shed usually adjacent to the field. In the shed the berries are finally packed in pint-sized compressed paper cups. These are packed into a 12-pint carton or "flat." The same containers are used for field packing. Harvest maturity is determined by the intended market. Less ripe strawberries are harvested if distribution is other than local. A large percentage of Florida berries are marketed within the State at U-pick roadside stands or at regular retail stores.

Using black plastic as a full-bed mulch cover for strawberry production is a standard practice in Florida. Fertilizers and fumigants are applied just before the strawberry beds are covered. Plastic mulching reduces leaching loss of fertilizer and prevents escape of fumigant gas from the bed, thereby increasing the effectiveness of the treatment. Strawberries in all three production areas of Florida are irrigated. Seepage irrigation is common in the west-central production area. In the Bradford and Dade County areas, much of the irrigation water is applied by overhead methods.

Strawberries in the west-central production area are marketed mainly through independent brokers or direct to foodchain warehouses. Many are also marketed through U-pick operations and some roadside stands. In the past, growers in the Bradford County area have marketed their berries through a cooperative. In recent years most berries were sold through a couple of the larger growers who served as brokers and shippers. In the Dade County area, marketing is primarily through independent brokers, but some growers market directly to foodchain stores and roadside markets.

Mexico: Production Practices

Strawberries are grown for export in Zamora in the State of Michoacan, and Irapuato (Alto Rio Lerma) in the State of Guanajuato. Zamora has recently become the larger producing area, with about 8,600 planted acres compared to about 4,000 acres in Irapuato. Neither area produces for domestic consumption.

The strawberries in Irapuato are produced primarily by small farmers who use pump irrigation. Strawberries have been produced in this area for over 100 years. But because of poor quality and salinity of soils and water, the

Appendix table 5-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, LAKE STATES--CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
<u>NUMBER OF FARMS</u>	2,805	14,670	47,337	60,454	49,628	41,763	216,657	98,343	315,000
<u>PRODUCTION ASSETS:</u>	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	252,236	129,853	70,032	44,762	31,535	23,902	51,680	14,371	40,032
MACHINES & MOT VEHIC	62,385	37,815	22,652	13,610	8,777	6,597	15,397	3,937	11,819
CATTLE & CALVES	44,417	21,232	13,598	8,655	4,979	2,784	9,076	1,119	6,592
HOGS & PIGS	4,625	3,570	1,796	878	435	212	1,080	63	762
SHEEP POULTRY & HORSES	6,540	1,033	264	173	136	115	314	56	1,090
FEED GRAINS & HAY STORED	7,435	5,517	3,251	2,119	1,380	808	2,243	106	1,576
OTHER GRAINS & FIBERS STORED	3,250	1,024	425	249	164	92	329	15	231
DEMAND DEPOSITS & CURRENCY	4,747	2,921	2,004	1,404	1,173	946	1,540	837	1,321
EQUITY IN FARM COOPS	32,892	10,278	5,327	3,265	1,985	1,384	3,918	913	2,980
TOTAL ASSETS	418,530	213,247	119,353	75,118	50,568	36,843	85,580	21,419	65,549
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	70,983	32,506	14,747	7,644	4,606	3,354	10,177	2,574	7,803
NON-REAL ESTATE SECURE DEBT	101,383	33,844	13,984	7,865	4,368	2,846	10,403	782	7,399
TOTAL LIABILITIES	172,366	66,351	28,732	15,510	8,974	6,201	20,580	3,356	15,203
<u>EQUITY</u>	246,163	146,895	90,620	59,608	41,594	30,642	64,999	18,062	50,346
<u>INCOME:</u>									
CASH RECEIPTS	223,904	63,579	30,693	16,203	8,216	3,927	21,070	1,239	14,879
GOVERNMENT PAYMENTS	3,933	2,678	1,444	952	710	567	1,085	344	854
OTHER FARM INCOME <u>1/</u>	5,238	2,246	1,427	1,012	733	604	1,098	472	903
TOTAL INCOME	233,077	68,504	33,565	18,168	9,660	5,099	23,255	2,056	16,636
<u>PRODUCTION EXPENSES</u>	194,624	48,475	21,092	11,228	6,223	4,385	15,814	1,679	11,401
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	38,452	20,028	12,472	6,939	3,436	713	7,440	376	5,235
LESS OPT. & FAMILY LABOR ALLOWANCE	9,365	4,244	3,042	2,237	3,764	3,774	3,287	2,651	3,088
LESS MANAGEMENT FEE ALLOWANCE	6,577	3,391	2,079	1,296	761	370	1,376	123	985
NET INCOME TO EQUITY	22,509	2,392	7,351	3,406	-1,089	-3,431	2,776	-2,398	1,160
<u>RATIO (PERCENT):</u>									
NET RETURNS TO EQUITY	9.1	8.4	8.1	5.7	-2.6	-11.2	4.3	-13.3	2.3

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

A representative of the distributor is stationed at the plant to ensure that the berries are of appropriate quality and the sale is then made. The distributor bears the risk of ownership while the berries are enroute to the port of entry.

Most of the strawberries cross the border through Nuevo Laredo and Ciudad Reynosa. About 74 percent of the fresh berries are shipped by truck. Costs of transporting fresh strawberries from Zamora to Nuevo Laredo in 1973 was about 2½ cents per pound.

Mexico: Regulations and Controls

In Michoacan, production controls are enforced by 7 producer associations whose representatives meet to discuss production and marketing problems. In addition to controlling the acreage planted, the associations may restrict shipments during the season by raising size and quality controls if the price becomes too depressed. The National Union of Vegetable Producers (UNPH) coordinates the control program among areas and among associations.

Each producer has a "base" acreage determined by the acreage he planted during 1967 to 1970. Maximum acreages for any producer are set at about 30 acres. "Base" acreages average about 10-15 acres per producer.

Cost Comparison: Mexico and Florida

Since Mexico ships both fresh and frozen strawberries during some months, certain assumptions are necessary to compare Mexico's costs of production of fresh berries with Florida's costs. Florida produces only fresh berries.

The allocation of joint costs between products has no adequate theoretical basis and no widely accepted "practical" basis to be used as a guide. So, to obtain production costs per flat, total production costs per acre were divided by total yield in pounds (both fresh and processed). 8/

Total yield of Mexican strawberries is assumed to be 16,000 pounds per acre, equivalent to 1,454 flats. Yield in Florida is set at 1,340 flats.

Production techniques differ widely between the 2 areas. Florida producers fumigate the soil and use plastic mulch, which cuts down on the cost of labor. Hence, even with lower wage rates in Mexico, the total wage bill is higher per acre than in Florida.

Costs of production in Mexico are substantially below costs in Florida (table 18). Marketing costs are somewhat higher in Mexico but are not sufficient to offset

8/ Multiplication of both costs per acre and yield per acre by a factor representing the proportion of fresh sales to total yield gives the same result as in Fliginger, and others.

the lower production costs. The lower total costs in Mexico largely explain why Florida's share of the U.S. market is decreasing. Further expansion of Mexico is not likely, however, because of tight self-imposed acreage and quality controls in Mexico.

Table 18--Costs of producing and marketing fresh strawberries in Mexico and Florida

Cost item	Florida <u>1/</u>		Mexico <u>2/</u>	
	Acre	Flat <u>3/</u>	Acre	Flat <u>3/</u>
	<u>Dollars</u>			
Producing:				
Labor	221		309	
Supplies	1,417		494	
Machinery services	712		101	
Miscellaneous	280		126	
Total producing	2,630	1.96	1,030	0.74
Marketing:				
Harvest		1.07		.39
Pack		.70		.56
Transportation to port of entry				.30
Export charge				.37
U.S. tariff				.08
Sales commission				.30
Dues to Grower-Shippers' Association				.11
Total marketing		1.77		2.01
Total costs		3.73		2.75

1/ Based on unpublished paper by R.A. Levins, Agr. Research and Education Ctr., Bradenton, Fla., and by R.D. Downs, Hillsborough Co. Vegetables Extension Agent, Plant City, Fla.

2/ Based on a survey of producers in Zamora conducted by Asociacion de Agricultores de Zamora in 1973.

3/ Assumes 1,340 flats per acre in Florida and 1,454 flats per acre in Mexico.

Cantaloups

Texas: Production Practices

The major production area in Texas which experiences competition from Mexico in the domestic cantaloup market is the Rio Grande Valley area, specifically Hidalgo and Starr Counties. Although shipments from Mexico decline during May when shipments from the Rio Grande Valley area begin, they

still exert some competitive pressure. Shipments from Mexico normally end before the bulk of shipments from other Texas production areas begin.

Most cantaloups in the area are produced by grower-shippers. Some are produced under contracts between growers and shippers. Production units are usually relatively large. A grower shipper with 1,000 acres of cantaloups is a common size. A few growers control most of the production, since 6,900 acres of cantaloups were harvested in Hidalgo and Starr Counties during 1974. However, there are also some small producers with 150 to 200 acres.

When a grower-shipper contract is used, the grower "contracts" with a shipper to have his cantaloups harvested, packed, and sold. The shipper charges a flat fee for these services. After the cantaloups are sold and this fee paid, the balance is divided between the grower and the shipper. If the shipper has provided financial backing to the grower, this is often an even split.

Cantaloups are planted in the area during February and March. Irrigation is applied as needed until the fruit begins to ripen and sparingly, if at all, while the fruit is ripening. Bees are necessary to insure pollination.

Harvesting begins the first week in May. A field is harvested 2 to 3 weeks on every second day as production begins and ends and on every day during the production peak. All cantaloups are hand harvested with workers paid on an hourly wage basis. Some picking aids are used, such as a horizontal conveyor belt on which fruit is placed and then moved to the truck or wagon. Some are picked and placed directly in the truck or wagon. The most common method is for workers to pick into sacks which are taken to a wagon or truck with a loading conveyor at the edge of the field.

Cantaloups are normally transported in bulk to a packing shed for grading and packing. Some may be field graded and hauled in bulk to retail outlets within overnight delivery distance. Grading entails removal of inferior fruit and sorting based on size and maturity. Sizing may be done either mechanically or by hand. Cantaloups are washed, heat treated, sometimes waxed, and precooled. The most common packing container is the 40-pound carton. Containers are packed by melon size and may contain from 13 to 30 melons. The most popular pack contains 15 to 20 melons. The crate was a popular container in the past, and when bulge packed it can hold slightly more than twice as much as a carton.

Cartons may be palletized, but most are not. Cantaloups are shipped under refrigeration because they are perishable.

Mexico: Production Practices

Cantaloups for export are grown primarily in Apatzingan (irrigation district of Tepalcatepec in the State of Michoacan), and Guasave in Sinaloa. Apatzingan, by far the largest exporter, shipped 82,300 metric tons in 1972, compared with about 18,000 metric tons from Guasave. The areas complement each other in timing of shipments. Apatzingan begins shipping in February and peaks in March; Guasave begins shipping in April and peaks in May.

Appendix table 6-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, CORN BELT --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	10,781	53,061	101,535	104,138	96,876	92,662	459,053	185,947	645,000
AVERAGE PER FARM (DOLLARS)									
PRODUCTION ASSETS:									
LAND & BUILDINGS	313,395	186,092	119,710	77,883	43,852	32,412	88,813	18,581	68,566
MACHINES & MOT VEHIC	46,814	30,437	19,669	12,185	7,740	5,524	14,481	3,024	11,178
CATTLE & CALVES	51,836	15,251	8,327	5,505	3,820	2,623	7,407	1,229	5,626
HOGS & PIGS	12,032	7,507	4,052	2,101	960	424	2,811	105	2,031
SHEEP POULTRY & HORSES	3,474	652	270	182	137	105	308	60	237
FEED GRAINS & HAY STORED	7,330	5,804	3,617	2,187	1,115	539	2,483	118	1,801
OTHER GRAINS & FIBERS STORED	1,373	996	596	350	172	76	411	19	298
DEMAND DEPOSITS & CURRENCY	5,813	3,585	2,458	1,719	1,444	1,159	2,023	1,023	1,735
EQUITY IN FARM COOPS	14,639	5,350	3,084	1,985	1,316	979	2,570	745	2,044
TOTAL ASSETS	456,710	255,678	161,787	104,101	60,559	43,845	121,310	24,908	93,518
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	57,544	25,767	16,253	9,254	6,217	3,120	11,966	2,850	9,338
NON-REAL ESTATE SECURE DEBT	95,015	26,569	13,052	7,149	3,706	2,165	11,030	1,164	8,186
TOTAL LIABILITIES	152,559	52,337	29,306	16,403	9,923	5,285	22,996	4,014	17,524
EQUITY	304,151	203,341	132,480	87,698	50,635	38,560	98,313	20,893	75,994
INCOME:									
CASH RECEIPTS	203,156	61,916	29,772	15,335	7,653	3,693	24,352	1,226	17,685
GOVERNMENT PAYMENTS	4,283	2,867	2,028	1,424	922	620	1,523	309	1,173
OTHER FARM INCOME ^{1/}	1,071	-369	-165	42	198	297	57	301	127
TOTAL INCOME	208,511	64,414	31,635	16,803	8,774	4,611	25,934	1,838	18,987
PRODUCTION EXPENSES	176,845	45,746	20,776	11,018	5,922	4,096	18,612	1,519	13,684
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	31,665	18,667	10,858	5,784	2,852	515	7,321	319	5,302
LESS OPT. & FAMILY LABOR ALLOWANCE	7,533	3,231	2,488	1,906	2,235	1,688	2,345	2,297	2,331
LESS MANAGEMENT FEE ALLOWANCE	4,886	3,061	1,972	1,232	712	342	1,403	113	1,031
NET INCOME TO EQUITY	19,245	12,375	6,397	2,645	-95	-1,515	3,571	-2,091	1,939
RATIO (PERCENT):									
NET RETURNS TO EQUITY	6.3	6.1	4.8	3.0	-0.2	-3.9	3.6	-10.0	2.6

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 6--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, CORN BELT --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-v COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	1.7	8.2	15.7	16.2	15.0	14.4	71.2	28.8	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	7.6	22.3	27.5	18.4	9.6	6.8	92.2	7.8	100.0
MACHINES & MOT VEHIC	7.0	22.4	27.7	17.6	10.4	7.1	92.2	7.8	100.0
CATTLE & CALVES	15.4	22.3	23.3	15.8	10.2	6.7	93.7	6.3	100.0
HOGS & PIGS	9.9	30.4	31.4	16.7	7.1	3.0	98.5	1.5	100.0
SHEEP POULTRY & HORSES	24.5	22.6	18.0	12.4	8.7	6.4	92.6	7.4	100.0
FEED GRAINS & HAY STORED	6.8	26.5	31.6	19.6	9.3	4.3	98.1	1.9	100.0
OTHER GRAINS & FIBERS STORED	7.7	27.5	31.5	19.0	8.7	3.7	98.1	1.9	100.0
DEMAND DEPOSITS & CURRENCY	5.6	17.0	22.3	16.0	12.5	9.6	83.0	17.0	100.0
EQUITY IN FARM COOPS	12.0	21.5	23.7	15.7	9.7	6.9	89.5	10.5	100.0
TOTAL ASSETS	8.2	22.5	27.2	18.0	9.7	6.7	92.3	7.7	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	10.3	22.7	27.4	16.0	10.0	4.8	91.2	8.8	100.0
NON-REAL ESTATE SECURE DEBT	19.4	26.7	25.1	14.1	6.8	3.8	95.9	4.1	100.0
TOTAL LIABILITIES	14.6	24.6	26.3	15.1	8.5	4.3	93.4	6.6	100.0
EQUITY	6.7	22.0	27.5	18.6	10.0	7.3	92.1	7.9	100.0
INCOME:									
CASH RECEIPTS	19.2	28.8	26.5	14.0	6.5	3.0	98.0	2.0	100.0
GOVERNMENT PAYMENTS	6.1	20.1	27.2	19.6	11.8	7.6	92.4	7.6	100.0
OTHER FARM INCOME 1/	9.7	0	0	3.7	16.2	23.2	52.8	47.2	2/100.0
TOTAL INCOME	18.4	27.9	26.2	14.3	6.9	3.5	97.2	2.8	100.0
PRODUCTION EXPENSES	21.6	27.5	23.9	13.0	6.5	4.3	96.8	3.2	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	10.0	29.0	32.2	17.6	8.1	1.4	98.3	1.7	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	5.4	11.4	16.8	13.2	14.4	10.4	71.6	28.4	100.0
LESS MANAGEMENT FEE ALLOWANCE	7.9	24.4	30.0	19.3	10.4	4.8	96.8	3.2	100.0
NET INCOME TO EQUITY	11.6	36.7	36.3	15.4	0	0	100.0	0	2/100.0

SEE FOOTNOTES AT END OF TABLE.

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Appendix table 6-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, CORN BELT--CONTINUED

ITEM	ECONOMIC CLASS						CLASSES Ia~V COMBINED	VI LESS THAN \$2,500	TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V			
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	68.6	72.8	74.0	74.8	72.4	73.9	73.2	74.6	73.3
MACHINES & MOT VEHIC	10.3	11.9	12.2	11.7	12.8	12.6	11.9	12.2	12.0
CATTLE & CALVES	11.3	6.0	5.1	5.3	6.3	6.0	6.1	4.9	6.0
HOGS & PIGS	2.6	2.9	2.5	2.0	1.6	1.0	2.3	0.4	2.2
SHEEP POULTRY & HORSES	0.8	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.3
FEED GRAINS & HAY STORED	1.6	2.3	2.2	2.1	1.8	1.2	2.1	0.5	1.9
OTHER GRAINS & FIBERS STORED	0.3	0.4	0.4	0.3	0.3	0.2	0.3	0.1	0.3
DEMAND DEPOSITS & CURRENCY	1.3	1.4	1.5	1.7	2.4	2.7	1.7	4.1	1.8
EQUITY IN FARM COOPS	3.2	2.1	1.9	1.9	2.2	2.2	2.1	3.0	2.2
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	37.7	49.2	55.5	56.4	62.7	59.0	52.0	71.0	53.3
NON-REAL ESTATE SECURE DEBT	62.3	50.8	44.5	43.6	37.3	41.0	48.0	29.0	46.7
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	2/ 100.0	2/ 100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	97.4	95.6	93.6	91.3	87.2	80.1	93.9	66.8	93.1
GOVERNMENT PAYMENTS	2.1	4.4	6.4	8.5	10.5	13.5	5.9	16.8	6.2
OTHER FARM INCOME 1/	0.5	0	0	0.2	2.3	6.4	0.2	16.4	0.7
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	2/ 100.0	2/ 100.0	2/ 100.0	100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	23.8	17.3	22.9	33.0	75.8	83.1	32.0	95.3	44.0
LESS MANAGEMENT FEE ALLOWANCE	15.4	16.4	18.2	21.3	24.2	16.9	19.2	4.7	19.4
NET INCOME TO EQUITY	60.8	66.3	58.9	45.7	0	0	48.8	0	36.6

1/ INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

2/ DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

Appendix table 7--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, NORTHERN PLAINS

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
NUMBER OF FARMS	5,611	21,417	50,081	62,794	47,643	32,627	220,173	31,327	251,500
PRODUCTION ASSETS:	ALL FARMS (THOUSAND DOLLARS)								
LAND & BUILDINGS	2,266,937	4,118,434	5,737,903	4,845,612	2,319,682	1,061,530	20,350,098	1,020,693	21,370,791
MACHINES & MOT VEHIC	300,931	752,326	1,176,005	958,226	447,436	209,859	3,844,783	114,829	3,959,612
CATTLE & CALVES	760,854	712,873	873,955	644,327	274,182	116,527	3,382,718	44,555	3,427,273
HOGS & PIGS	22,124	61,947	89,277	57,783	20,042	6,507	257,680	2,603	260,283
SHEEP POULTRY & HORSES	12,781	17,557	22,051	19,477	9,254	3,578	84,698	2,245	86,943
FEED GRAINS & HAY STORED	46,816	130,460	198,499	157,925	64,293	20,599	618,592	5,618	624,210
OTHER GRAINS & FIBERS STORED	13,565	37,135	53,923	41,374	16,787	5,258	168,042	1,526	169,568
DEMAND DEPOSITS & CURRENCY	28,621	67,345	108,172	94,703	60,189	33,251	392,281	28,623	420,904
EQUITY IN FARM COOPS	173,969	164,399	198,759	145,000	66,324	31,368	779,819	21,071	800,890
TOTAL ASSETS	3,626,598	6,062,476	8,458,544	6,964,427	3,278,189	1,488,477	29,878,711	1,241,763	31,120,474
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	509,906	609,474	850,850	591,371	250,427	108,619	2,920,647	96,551	3,017,198
NON-REAL ESTATE SECURE DEBT	751,017	1,032,648	976,322	600,813	247,836	93,877	3,702,513	52,571	3,755,084
TOTAL LIABILITIES	1,260,923	1,642,122	1,827,172	1,192,184	498,263	202,496	6,623,160	149,122	6,772,282
EQUITY	2,365,675	4,420,354	6,631,372	5,772,243	2,779,926	1,285,981	23,255,551	1,092,641	24,348,192
INCOME:									
CASH RECEIPTS	1,841,243	1,251,101	1,386,834	908,819	354,085	118,028	5,860,110	41,310	5,901,420
GOVERNMENT PAYMENTS	47,580	124,815	206,875	177,912	84,819	33,790	675,791	13,792	689,583
OTHER FARM INCOME ^{1/}	42,818	14,164	15,955	17,927	14,220	12,761	117,845	10,728	128,573
TOTAL INCOME	1,931,641	1,390,080	1,609,664	1,104,658	453,124	164,579	6,653,746	65,830	6,719,576
PRODUCTION EXPENSES	1,730,486	1,009,450	1,054,204	696,173	288,414	144,207	4,922,934	49,728	4,972,662
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	201,155	380,630	555,460	408,485	164,710	20,372	1,730,812	16,102	1,746,914
LESS OPT. & FAMILY LABOR ALLOWANCE	39,474	91,332	196,596	184,212	71,982	102,168	685,764	88,236	774,000
LESS MANAGEMENT FEE ALLOWANCE	29,077	64,786	101,978	83,900	38,579	12,113	330,435	4,229	334,665
NET INCOME TO EQUITY	132,603	224,511	256,885	140,372	54,148	-93,909	714,612	-76,363	638,248
RATIO (PERCENT):									
NET RETURNS TO EQUITY	5.6	5.1	3.9	2.4	1.9	-7.3	3.1	-7.0	2.6

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 7-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, NORTHERN PLAINS --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
NUMBER OF FARMS	5,611	21,417	50,081	62,794	47,643	32,627	220,173	31,327	251,500
PRODUCTION ASSETS:	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	404,016	192,297	114,572	77,166	48,688	32,535	92,427	32,581	84,973
MACHINES & MOT VEHIC	53,632	35,127	23,482	15,259	9,391	6,432	17,462	3,665	15,743
CATTLE & CALVES	135,600	33,285	17,450	10,260	5,754	3,571	15,363	1,422	13,627
HOGS & PIGS	3,942	2,892	1,782	920	420	199	1,170	83	1,034
SHEEP POULTRY & HORSES	2,278	820	440	310	194	110	385	72	346
FEED GRAINS & HAY STORED	8,343	6,091	3,963	2,514	1,349	631	2,809	179	2,481
OTHER GRAINS & FIBERS STORED	2,417	1,733	1,076	658	352	161	763	48	674
DEMAND DEPOSITS & CURRENCY	5,100	3,144	2,159	1,508	1,263	1,019	1,781	913	1,673
EQUITY IN FARM COOPS	31,004	7,676	3,968	2,309	1,392	961	3,541	672	3,184
TOTAL ASSETS	646,337	283,068	168,897	110,909	68,807	45,621	135,705	39,638	123,739
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	90,876	28,457	16,989	9,417	5,256	3,329	13,265	3,082	11,996
NON-REAL ESTATE SECURE DEBT	133,847	48,216	19,494	9,568	5,201	2,877	16,816	1,678	14,930
TOTAL LIABILITIES	224,723	76,673	36,484	18,985	10,458	6,206	30,081	4,760	26,927
EQUITY	421,613	206,394	132,412	91,923	58,349	39,414	105,623	34,878	96,811
INCOME:									
CASH RECEIPTS	328,148	58,416	27,691	14,473	7,432	3,617	26,615	1,318	23,464
GOVERNMENT PAYMENTS	8,479	5,827	4,130	2,833	1,780	1,035	3,069	440	2,741
OTHER FARM INCOME <u>1/</u>	7,631	661	318	285	298	391	535	342	511
TOTAL INCOME	344,259	64,905	32,141	17,591	9,510	5,044	30,220	2,101	26,717
PRODUCTION EXPENSES	308,409	47,133	21,049	11,086	6,053	4,419	22,359	1,587	19,772
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	35,850	17,772	11,091	6,505	3,457	624	7,861	513	6,945
LESS OPT. & FAMILY LABOR ALLOWANCE	7,035	4,264	3,925	2,933	1,510	3,131	3,114	2,816	3,077
LESS MANAGEMENT FEE ALLOWANCE	5,182	3,024	2,036	1,336	809	371	1,500	135	1,330
NET INCOME TO EQUITY	23,632	10,482	5,129	2,235	1,136	-2,878	3,245	-2,437	2,537
RATIO (PERCENT):									
NET RETURNS TO EQUITY	5.6	5.1	3.9	2.4	1.9	-7.3	3.1	-7.0	2.6

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 7-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, NORTHERN PLAINS --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	2.2	8.5	19.9	25.0	18.9	13.0	87.5	12.5	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	10.6	19.3	26.8	22.7	10.8	5.0	95.2	4.8	100.0
MACHINES & MOT VEHIC	7.6	19.0	29.7	24.2	11.3	5.3	97.1	2.9	100.0
CATTLE & CALVES	22.2	20.8	25.5	18.8	8.0	3.4	98.7	1.3	100.0
HOGS & PIGS	8.5	23.8	34.3	22.2	7.7	2.5	99.0	1.0	100.0
SHEEP POULTRY & HORSES	14.7	20.2	25.4	22.4	10.6	4.1	97.4	2.6	100.0
FEED GRAINS & HAY STORED	7.5	20.9	31.8	25.3	10.3	3.3	99.1	0.9	100.0
OTHER GRAINS & FIBERS STORED	8.0	21.9	31.8	24.4	9.9	3.1	99.1	0.9	100.0
DEMAND DEPOSITS & CURRENCY	6.8	16.0	25.7	22.5	14.3	7.9	93.2	6.8	100.0
EQUITY IN FARM COOPS	21.8	20.5	24.8	18.1	8.3	3.9	97.4	2.6	100.0
TOTAL ASSETS	11.6	19.5	27.2	22.4	10.5	4.8	96.0	4.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	16.9	20.2	28.2	19.6	8.3	3.6	96.8	3.2	100.0
NON-REAL ESTATE SECURE DEBT	20.0	27.5	26.0	16.0	6.6	2.5	98.6	1.4	100.0
TOTAL LIABILITIES	18.6	24.2	27.0	17.6	7.4	3.0	97.8	2.2	100.0
EQUITY	9.7	18.2	27.2	23.7	11.4	5.3	95.5	4.5	100.0
INCOME:									
CASH RECEIPTS	31.2	21.2	23.5	15.4	6.0	2.0	99.3	0.7	100.0
GOVERNMENT PAYMENTS	6.9	18.1	30.0	25.8	12.3	4.9	98.0	2.0	100.0
OTHER FARM INCOME 1/	33.3	11.0	12.4	14.0	11.1	9.9	91.7	8.3	100.0
TOTAL INCOME	28.8	20.7	24.0	16.4	6.7	2.4	99.0	1.0	100.0
PRODUCTION EXPENSES	34.8	20.3	21.2	14.0	5.8	2.9	99.0	1.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	11.5	21.8	31.8	23.4	9.4	1.2	99.1	0.9	2/ 100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	5.1	11.8	25.4	23.8	9.3	13.2	88.6	11.4	100.0
LESS MANAGEMENT FEE ALLOWANCE	8.7	19.3	30.5	25.1	11.5	3.6	98.7	1.3	100.0
NET INCOME TO EQUITY	16.4	27.7	31.8	17.4	6.7	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 7-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, NORTHERN PLAINS, --CONTINUED

	ECONOMIC CLASS								
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	TOTAL OF ALL FARMS
ITEM	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	62.5	67.9	67.8	69.6	70.8	71.3	68.1	82.2	68.7
MACHINES & MOT VEHIC	8.3	12.4	13.9	13.8	13.6	14.1	12.9	9.2	12.7
CATTLE & CALVES	21.0	11.8	10.3	9.2	8.4	7.8	11.3	3.6	11.0
HOGS & PIGS	0.6	1.0	1.1	0.8	0.6	0.4	0.9	0.2	0.8
SHEEP POULTRY & HORSES	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.3
FEED GRAINS & HAY STORED	1.3	2.2	2.4	2.3	2.0	1.4	2.1	0.5	2.0
OTHER GRAINS & FIBERS STORED	0.4	0.6	0.6	0.6	0.5	0.4	0.5	0.1	0.5
DEMAND DEPOSITS & CURRENCY	0.8	1.1	1.3	1.3	1.8	2.2	1.3	2.3	1.4
EQUITY IN FARM COOPS	4.8	2.7	2.3	2.1	2.0	2.1	2.6	1.7	2.6
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	40.4	37.1	46.6	49.6	50.3	53.6	44.1	64.7	44.6
NON-REAL ESTATE SECURE DEBT	59.6	62.9	53.4	50.4	49.7	46.4	55.9	35.3	55.4
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	95.3	90.0	86.2	82.3	78.2	71.7	88.0	62.8	87.8
GOVERNMENT PAYMENTS	2.5	9.0	12.8	16.1	18.7	20.5	10.2	21.0	10.3
OTHER FARM INCOME 1/	2.2	1.0	1.0	1.6	3.1	7.8	1.8	16.2	1.9
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	100.0	2/ 100.0	100.0	2/ 100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	19.6	24.0	35.4	45.1	43.7	89.4	39.6	95.4	44.3
LESS MANAGEMENT FEE ALLOWANCE	14.5	17.0	18.4	20.5	23.4	10.6	19.1	4.6	19.2
NET INCOME TO EQUITY	65.9	59.0	46.2	34.4	32.9	0	41.3	0	36.5

^{1/} INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

^{2/} DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

APPENDIX

Appendix table 1--U.S. import duties on selected crops

Item	Duty per pound
Vegetables:	
Asparagus--	
Fresh or chilled but not frozen.....	25 percent ad valorem
Fresh, chilled, or frozen and cut; dried; or otherwise reduced in size.....	17.5 percent ad valorem
Cucumbers--	
If entered from Dec. 1 in any year to the last day of the following Feb., inclusive.....	2.2 cents per pound
If entered from Mar. 1 to June 30, inclusive, or from Sept. 1 to Nov. 30, inclusive, in any year..	3 cents per pound
Beans, other than limas.....	3.5 cents per pound
Eggplant--	
If entered from Apr. 1 to Nov. 30, inclusive in any year.....	1.5 cents per pound
Other.....	1.1 cents per pound
Peppers.....	2.5 cents per pound
Squash.....	1.1 cents per pound
Tomatoes--	
If entered from Mar. 1 to July 14, inclusive, or from Sept. 1 to Nov. 14, inclusive, in any year..	2.1 cents per pound
If entered from July 15 to Aug. 31, inclusive, in any year.....	1.5 cents per pound
If entered from Nov. 15 in any year to the last day of the following Feb., inclusive.....	1.5 cents per pound
Berries:	
Strawberries--	
Fresh, if entered from June 15 to Sept. 15, inclusive, in any year.....	.2 cents per pound
If entered at any other time.....	.74 cents per pound
Frozen.....	14 percent ad valorem
Melons, fresh:	
Cantaloupes--	
If entered from Aug. 1 to Sept. 15, inclusive, in any year.....	20 percent ad valorem
If entered at any other time.....	35 percent ad valorem
Watermelons.....	20 percent ad valorem

Source: Tariff Schedules of the United States Annotated (1972),
U.S. Tariff Commission, TC Pub. 452.

Appendix table 8— RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, APPALACHIAN --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	2,750	11,463	23,326	37,052	62,730	83,091	220,412	291,588	512,000
PRODUCTION ASSETS:	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	304,499	147,973	72,678	59,642	32,228	19,919	45,893	11,473	26,291
MACHINES & MOT VEHIC	46,935	26,633	15,323	9,445	5,974	4,391	8,536	2,060	4,847
CATTLE & CALVES	26,611	13,000	8,100	5,314	3,563	2,514	4,720	994	2,598
HOGS & PIGS	5,766	2,109	1,284	773	388	217	640	65	312
SHEEP POULTRY & HORSES	11,364	2,266	557	167	80	51	389	23	180
FEED GRAINS & HAY STORED	5,608	3,282	1,851	1,048	524	264	862	53	401
OTHER GRAINS & FIBERS STORED	1,448	846	572	371	187	81	269	16	125
DEMAND DEPOSITS & CURRENCY	6,219	3,854	2,627	1,846	1,545	1,243	1,775	1,102	1,391
EQUITY IN FARM COOPS	19,050	5,421	3,587	2,372	1,282	898	2,001	616	1,212
TOTAL ASSETS	427,503	205,388	106,582	80,982	45,774	29,583	65,088	16,405	37,363
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	46,795	27,327	10,017	7,357	3,428	2,221	6,115	1,184	3,307
NON-REAL ESTATE SECURE DEBT	61,587	27,754	13,096	6,407	3,482	1,485	6,226	721	3,091
TOTAL LIABILITIES	108,383	55,082	23,114	13,765	6,910	3,707	12,341	1,906	6,398
EQUITY	319,120	150,306	83,468	67,216	38,864	25,876	52,747	14,498	30,964
INCOME:									
CASH RECEIPTS	222,632	66,094	31,168	15,594	7,868	3,914	15,850	1,141	7,473
GOVERNMENT PAYMENTS	4,001	2,094	1,260	809	475	339	691	163	390
OTHER FARM INCOME 1/	3,510	1,091	702	512	459	449	561	398	468
TOTAL INCOME	230,144	69,280	33,131	16,916	8,803	4,703	17,103	1,703	8,332
PRODUCTION EXPENSES	190,208	51,749	21,923	10,331	4,984	3,411	11,826	1,082	5,707
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	39,936	17,530	11,208	6,585	3,818	1,292	5,277	620	2,625
LESS OPT. & FAMILY LABOR ALLOWANCE	7,857	4,757	6,220	3,638	3,887	2,303	3,590	815	2,009
LESS MANAGEMENT FEE ALLOWANCE	6,433	3,200	1,995	1,237	716	351	1,002	101	489
NET INCOME TO EQUITY	25,644	9,572	2,992	1,709	-785	-1,362	684	-296	125
RATIO (PERCENT):									
NET RETURNS TO EQUITY	8.0	6.4	3.6	2.5	-2.0	-5.3	1.3	-2.0	0.4

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 8-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, APPALACHIAN --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	0.5	2.2	4.6	7.2	12.3	16.2	43.0	57.0	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	6.2	12.6	12.6	16.4	15.0	12.3	75.1	24.9	100.0
MACHINES & MOT VEHIC	5.2	12.3	14.4	14.1	15.1	14.7	75.8	24.2	100.0
CATTLE & CALVES	5.5	11.2	14.2	14.8	16.8	15.7	78.2	21.8	100.0
HOGS & PIGS	9.9	15.1	18.7	17.9	15.2	11.3	88.1	11.9	100.0
SHEEP POULTRY & HORSES	33.9	28.1	14.1	6.7	5.4	4.6	92.8	7.2	100.0
FEED GRAINS & HAY STORED	7.5	18.3	21.0	18.9	16.0	10.7	92.4	7.6	100.0
OTHER GRAINS & FIBERS STORED	6.2	15.1	20.8	21.4	18.3	10.6	92.4	7.6	100.0
DEMAND DEPOSITS & CURRENCY	2.4	6.2	8.6	9.6	13.6	14.5	54.9	45.1	100.0
EQUITY IN FARM COOPS	8.4	10.0	13.5	14.2	13.0	12.0	71.1	28.9	100.0
TOTAL ASSETS	6.1	12.3	13.0	15.7	15.0	12.9	75.0	25.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	7.6	18.5	13.8	16.1	12.7	10.9	79.6	20.4	100.0
NON-REAL ESTATE SECURE DEBT	10.7	20.1	19.3	15.0	13.8	7.8	86.7	13.3	100.0
TOTAL LIABILITIES	9.1	19.3	16.4	15.6	13.2	9.4	83.0	17.0	100.0
EQUITY	5.5	10.9	12.3	15.7	15.4	13.5	73.3	26.7	100.0
INCOME:									
CASH RECEIPTS	16.0	19.8	19.0	15.1	12.9	8.5	91.3	8.7	100.0
GOVERNMENT PAYMENTS	5.5	12.0	14.7	15.0	14.9	14.1	76.2	23.8	100.0
OTHER FARM INCOME 1/	4.0	5.2	6.9	7.9	12.0	15.6	51.6	48.4	100.0
TOTAL INCOME	14.8	18.6	18.1	14.7	13.0	9.2	88.4	11.6	100.0
PRODUCTION EXPENSES	17.9	20.3	17.5	13.1	10.7	9.7	89.2	10.8	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	8.2	15.0	19.4	18.1	17.8	8.0	86.5	13.5	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	2.1	5.3	14.1	13.1	23.7	18.6	76.9	23.1	100.0
LESS MANAGEMENT FEE ALLOWANCE	7.1	14.6	18.6	18.3	17.9	11.6	88.1	11.9	100.0
NET INCOME TO EQUITY	22.5	35.0	22.3	20.2	0	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

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Appendix table 8-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, APPALACHIAN --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	71.2	72.1	68.2	73.6	70.4	67.3	70.5	69.9	70.4
MACHINES & MOT VEHIC	11.0	13.0	14.4	11.7	13.1	14.9	13.1	12.6	13.0
CATTLE & CALVES	6.2	6.3	7.6	6.5	7.8	8.5	7.3	6.1	7.0
HOGS & PIGS	1.3	1.0	1.2	1.0	0.8	0.7	1.0	0.4	0.8
SHEEP POULTRY & HORSES	2.7	1.1	0.5	0.2	0.2	0.2	0.6	0.1	0.5
FEED GRAINS & HAY STORED	1.3	1.6	1.7	1.3	1.1	0.9	1.3	0.3	1.1
OTHER GRAINS & FIBERS STORED	0.3	0.4	0.5	0.5	0.4	0.3	0.4	0.1	0.3
DEMAND DEPOSITS & CURRENCY	1.5	1.9	2.5	2.3	3.4	4.2	2.7	6.7	3.7
EQUITY IN FARM COOPS	4.5	2.6	3.4	2.9	2.8	3.0	3.1	3.8	3.2
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	43.2	49.6	43.3	53.4	49.6	59.9	49.5	62.1	51.7
NON-REAL ESTATE SECURE DEBT	56.8	50.4	56.7	46.6	50.4	40.1	50.5	37.9	48.3
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
GOVERNMENT PAYMENTS	96.7	95.4	94.1	92.2	89.4	83.2	92.7	67.0	89.7
OTHER FARM INCOME 1/	1.8	3.0	3.8	4.8	5.4	7.2	4.0	9.6	4.7
TOTAL INCOME	1.5	1.6	2.1	3.0	5.2	9.6	3.3	23.4	5.6
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	1/ 100.0	1/ 100.0	100.0	1/ 100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	19.7	27.1	55.5	55.2	84.4	86.8	68.0	88.9	76.6
LESS MANAGEMENT FEE ALLOWANCE	16.1	18.3	17.8	18.8	15.6	13.2	19.0	11.1	18.6
NET INCOME TO EQUITY	64.2	54.6	26.7	26.0	0	0	13.0	0	4.8

1/ INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

2/ DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

Appendix table 9—RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHEAST

ITEM	ECONOMIC CLASS								
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	TOTAL OF ALL FARMS
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
NUMBER OF FARMS	5,006	12,003	17,151	18,331	24,219	32,627	109,337	138,663	248,000
PRODUCTION ASSETS:	ALL FARMS (THOUSAND DOLLARS)								
LAND & BUILDINGS	2,769,838	1,784,223	1,657,446	1,272,838	1,215,809	1,007,708	9,707,862	2,032,351	11,740,213
MACHINES & MOT VEHIC	294,755	296,439	247,594	185,274	156,641	158,325	1,339,028	345,285	1,684,313
CATTLE & CALVES	239,728	150,659	123,180	92,859	88,121	88,121	782,668	164,872	947,540
HOGS & PIGS	11,815	17,357	20,075	17,043	13,802	10,560	90,652	13,906	104,558
SHEEP POULTRY & HORSES	74,723	47,427	24,205	6,590	2,028	1,226	156,199	2,125	158,324
FEED GRAINS & HAY STORED	10,945	15,737	13,600	10,232	7,447	4,857	62,818	1,945	64,763
OTHER GRAINS & FIBERS STORED	2,862	2,788	2,519	1,859	1,211	624	11,863	367	12,230
DEMAND DEPOSITS & CURRENCY	22,576	33,581	33,017	24,551	27,373	29,631	170,729	111,468	282,197
EQUITY IN FARM COOPS	135,983	93,082	67,311	50,268	41,771	43,099	431,514	138,303	569,817
TOTAL ASSETS	3,563,225	2,441,293	2,188,947	1,661,514	1,554,203	1,344,151	12,753,333	2,810,622	15,563,955
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	377,847	313,533	181,688	213,846	141,492	996,687	1,328,093	279,768	1,607,861
NON-REAL ESTATE SECURE DEBT	376,591	272,117	193,155	120,266	72,889	66,814	1,101,832	112,977	1,214,809
TOTAL LIABILITIES	754,438	585,650	374,843	334,112	214,381	166,501	2,429,925	392,745	2,822,670
EQUITY	2,808,787	1,855,643	1,814,104	1,327,402	1,339,822	1,177,650	10,323,408	2,417,877	12,741,285
INCOME:									
CASH RECEIPTS	1,644,830	813,091	537,088	290,922	190,219	119,353	3,595,503	134,272	3,729,775
GOVERNMENT PAYMENTS	31,861	48,854	42,717	30,209	23,365	20,769	197,775	38,233	236,008
OTHER FARM INCOME 1/	21,077	14,436	13,487	10,723	12,353	16,206	88,282	56,721	145,003
TOTAL INCOME	1,697,768	876,381	593,292	331,854	225,937	156,328	3,881,560	229,226	4,110,786
PRODUCTION EXPENSES	1,309,419	647,043	429,318	223,859	147,195	141,062	2,897,896	168,660	3,066,556
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	388,349	229,338	163,974	107,995	78,742	15,266	983,664	60,566	1,044,230
LESS OPT. & FAMILY LABOR ALLOWANCE	31,450	59,126	94,979	88,689	76,738	115,107	466,089	162,911	629,000
LESS MANAGEMENT FEE ALLOWANCE	57,517	37,569	30,916	22,879	17,934	11,147	177,965	12,685	190,650
NET INCOME TO EQUITY	299,381	132,642	38,078	-3,573	-15,930	-110,988	339,609	-115,030	224,579
RATIO (PERCENT):									
NET RETURNS TO EQUITY	10.7	7.1	2.1	-0.3	-1.2	-9.4	3.3	-4.8	1.8

SEE FOOTNOTES AT END OF TABLE.

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Appendix table 9— RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHEAST --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	5,006	12,003	17,151	18,331	24,219	32,627	109,337	138,663	248,000
PRODUCTION ASSETS:	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	553,303	148,648	96,638	69,436	50,200	30,885	88,788	14,656	47,339
MACHINES & MOT VEHIC	58,880	24,697	14,436	10,107	6,467	4,852	12,246	2,490	6,791
CATTLE & CALVES	47,888	12,551	7,182	5,065	3,638	2,700	7,158	1,189	3,820
HOGS & PIGS	2,360	1,446	1,170	929	569	323	829	100	421
SHEEP POULTRY & HORSES	14,927	3,951	1,411	360	84	38	1,429	15	638
FEED GRAINS & HAY STORED	2,186	1,311	792	558	307	148	574	14	261
OTHER GRAINS & FIBERS STORED	571	232	146	101	50	19	108	2	49
DEMAND DEPOSITS & CURRENCY	4,509	2,797	1,925	1,339	1,130	908	1,561	803	1,137
EQUITY IN FARM COOPS	27,164	7,754	3,924	2,742	1,724	1,320	3,946	997	2,297
TOTAL ASSETS	711,790	203,390	127,627	90,639	64,172	41,197	116,642	20,269	62,757
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	75,478	26,121	10,593	11,665	5,842	3,055	12,146	2,017	6,483
NON-REAL ESTATE SECURE DEBT	75,227	22,670	11,262	6,560	3,009	2,047	10,077	814	4,898
TOTAL LIABILITIES	150,706	48,791	21,855	18,226	8,851	5,103	22,224	2,832	11,381
EQUITY	561,084	154,598	105,772	72,412	55,321	36,094	94,418	17,437	51,376
INCOME:									
CASH RECEIPTS	328,571	67,740	31,315	15,870	7,854	3,658	32,884	968	15,039
GOVERNMENT PAYMENTS	6,364	4,070	2,490	1,647	964	636	1,808	275	951
OTHER FARM INCOME ^{1/}	4,210	1,202	786	584	510	496	807	409	584
TOTAL INCOME	339,146	73,013	34,592	18,103	9,328	4,791	35,500	1,653	16,575
PRODUCTION EXPENSES	261,569	53,906	25,031	12,212	6,077	4,323	26,504	1,216	12,365
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	77,576	19,106	9,560	5,891	3,251	467	8,996	436	4,210
LESS OPT. & FAMILY LABOR ALLOWANCE	6,282	4,925	5,537	4,838	3,168	3,527	4,262	1,174	2,536
LESS MANAGEMENT FEE ALLOWANCE	11,489	3,130	1,802	1,248	740	341	1,627	91	768
NET INCOME TO EQUITY	59,804	11,050	2,220	-194	-657	-3, '01	3,106	-829	905
RATIO (PERCENT):									
NET RETURNS TO EQUITY	10.7	7.1	2.1	-0.3	-1.2	-9.4	3.3	-4.8	1.8

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 9- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHEAST --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	2.0	4.8	6.9	7.4	9.8	13.2	44.1	55.9	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	23.6	15.2	14.1	10.8	10.4	8.6	82.7	17.3	100.0
MACHINES & MOT VEHIC	17.5	17.6	14.7	11.0	9.3	9.4	79.5	20.5	100.0
CATTLE & CALVES	25.3	15.9	13.0	9.8	9.3	9.3	82.6	17.4	100.0
HOGS & PIGS	11.3	16.6	19.2	16.3	13.2	10.1	86.7	13.3	100.0
SHEEP POULTRY & HORSES	47.2	29.9	15.3	4.2	1.3	0.8	98.7	1.3	100.0
FEED GRAINS & HAY STORED	16.9	24.3	21.0	15.8	11.5	7.5	97.0	3.0	100.0
OTHER GRAINS & FIBERS STORED	23.4	22.8	20.6	15.2	9.9	5.1	97.0	3.0	100.0
DEMAND DEPOSITS & CURRENCY	8.0	11.9	11.7	8.7	9.7	10.5	60.5	39.5	100.0
EQUITY IN FARM COOPS	23.9	16.3	11.8	8.8	7.3	7.6	75.7	24.3	100.0
TOTAL ASSETS	22.9	15.7	14.0	10.7	10.0	8.6	81.9	18.1	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	23.5	19.5	11.3	13.3	8.8	6.2	82.6	17.4	100.0
NON-REAL ESTATE SECURE DEBT	31.0	22.4	15.9	9.9	6.0	5.5	90.7	9.3	100.0
TOTAL LIABILITIES	26.7	20.8	13.3	11.8	7.6	5.9	86.1	13.9	100.0
EQUITY	22.0	14.6	14.2	10.4	10.5	9.3	81.0	19.0	100.0
INCOME:									
CASH RECEIPTS	44.1	21.8	14.4	7.8	5.1	3.2	96.4	3.6	100.0
GOVERNMENT PAYMENTS	13.5	20.7	18.1	12.8	9.9	8.8	83.8	16.2	100.0
OTHER FARM INCOME 1/	14.5	10.0	9.3	7.4	8.5	11.2	60.9	39.1	100.0
TOTAL INCOME	41.3	21.3	14.4	8.1	5.5	3.8	94.4	5.6	100.0
PRODUCTION EXPENSES	42.7	21.1	14.0	7.3	4.8	4.6	94.5	5.5	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	37.2	22.0	15.7	10.3	7.5	1.5	94.2	5.8	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	5.0	9.4	15.1	14.1	12.2	18.3	74.1	25.9	100.0
LESS MANAGEMENT FEE ALLOWANCE	30.2	19.7	16.2	12.0	9.4	5.8	93.3	6.7	100.0
NET INCOME TO EQUITY	63.7	28.2	8.1	0	0	0	100.0	0	100.0

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 9—RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHEAST --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	77.7	73.1	75.7	76.6	78.2	75.0	76.1	72.3	75.4
MACHINES & MOT VEHIC	8.2	12.2	11.3	11.2	10.1	11.7	10.5	12.3	10.8
CATTLE & CALVES	6.7	6.2	5.7	5.6	5.6	6.5	6.2	5.8	6.1
HOGS & PIGS	0.3	0.7	0.9	1.0	0.9	0.8	0.7	0.4	0.7
SHEEP POULTRY & HORSES	2.1	1.9	1.1	0.4	0.1	0.1	1.2	0.1	1.0
FEED GRAINS & HAY STORED	0.3	0.6	0.6	0.6	0.5	0.4	0.5	0.1	0.4
OTHER GRAINS & FIBERS STORED	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
DEMAND DEPOSITS & CURRENCY	0.6	1.4	1.5	1.5	1.8	2.2	1.3	4.0	1.8
EQUITY IN FARM COOPS	3.8	3.8	3.1	3.0	2.7	3.2	3.4	4.9	3.7
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	50.1	53.5	48.5	64.0	66.0	59.9	54.7	71.2	57.0
NON-REAL ESTATE SECURE DEBT	49.9	46.5	51.5	36.0	34.0	40.1	45.3	28.8	43.0
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	96.9	92.8	90.5	87.7	84.2	76.3	92.6	58.6	90.7
GOVERNMENT PAYMENTS	1.9	5.6	7.2	9.1	10.3	13.3	5.1	16.7	5.8
OTHER FARM INCOME 1/	1.2	1.6	2.3	3.2	5.5	10.4	2.3	24.7	3.5
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	2/ 100.0	2/ 100.0	2/ 100.0	100.0	2/ 100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	8.1	25.8	57.9	79.5	81.1	91.2	47.4	92.8	60.2
LESS MANAGEMENT FEE ALLOWANCE	14.8	16.4	18.9	20.5	18.9	8.8	18.1	7.2	18.3
NET INCOME TO EQUITY	77.1	57.8	23.2	0	0	0	34.5	0	21.5

^{1/} INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

^{2/} DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

Appendix table 10—RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, DELTA STATES

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	3,631	10,582	12,692	12,481	17,072	28,277	84,735	128,265	213,000
PRODUCTION ASSETS:	ALL FARMS (THOUSAND DOLLARS)								
LAND & BUILDINGS	2,102,449	1,907,118	1,566,754	968,502	823,858	872,231	8,240,912	1,489,339	9,730,251
MACHINES & MOT VEHIC	250,992	472,671	283,969	190,534	144,733	153,893	1,496,792	335,267	1,832,059
CATTLE & CALVES	82,557	103,000	96,710	82,556	90,420	109,290	564,533	221,724	786,257
HOGS & PIGS	3,497	2,937	2,883	3,337	3,577	3,577	19,808	6,888	26,696
SHEEP POULTRY & HORSES	47,559	32,942	13,320	2,951	1,491	1,375	99,638	2,521	102,159
FEED GRAINS & HAY STORED	10,247	11,134	6,205	3,404	1,844	1,170	34,004	1,455	35,459
OTHER GRAINS & FIBERS STORED	46,091	43,192	24,060	13,624	7,537	4,494	138,998	5,942	144,940
DEMAND DEPOSITS & CURRENCY	22,432	40,378	33,007	22,753	26,278	34,930	179,778	140,683	320,461
EQUITY IN FARM COOPS	93,553	98,419	64,398	35,093	27,782	34,099	353,344	109,213	462,557
TOTAL ASSETS	2,659,377	2,711,791	2,091,306	1,322,754	1,127,520	1,215,059	11,127,807	2,313,032	13,440,839
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	416,401	293,555	263,242	145,182	110,083	126,037	1,354,500	240,907	1,595,407
NON-REAL ESTATE SECURE DEBT	206,491	280,169	190,011	105,669	55,258	48,472	886,070	83,372	969,442
TOTAL LIABILITIES	622,892	573,724	453,253	250,851	165,341	174,509	2,240,570	324,279	2,564,849
EQUITY	2,036,485	2,138,067	1,638,053	1,071,903	962,179	1,040,550	8,887,237	1,988,753	10,875,990
INCOME:									
CASH RECEIPTS	896,648	777,095	434,739	211,935	144,007	111,402	2,575,826	141,290	2,717,116
GOVERNMENT PAYMENTS	87,384	70,313	42,245	28,356	18,808	16,782	263,888	25,464	289,352
OTHER FARM INCOME 1/	30,251	32,927	22,674	15,727	13,277	15,244	130,100	49,564	179,664
TOTAL INCOME	1,014,283	880,335	499,658	256,018	176,092	143,428	2,969,814	216,318	3,186,132
PRODUCTION EXPENSES	706,091	579,850	318,811	158,336	104,844	111,263	1,979,195	160,474	2,139,669
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	308,192	300,485	180,847	97,682	71,248	32,165	990,619	55,844	1,046,463
LESS OPT. & FAMILY LABOR ALLOWANCE	31,920	52,269	60,249	55,461	43,890	56,658	300,447	98,553	399,000
LESS MANAGEMENT FEE ALLOWANCE	33,958	41,367	27,724	17,811	13,401	9,810	144,074	10,741	154,815
NET INCOME TO EQUITY	242,313	206,848	92,873	24,409	13,956	-34,303	546,097	-53,450	492,647
RATIO (PERCENT):									
NET RETURNS TO EQUITY	11.9	9.7	5.7	2.3	1.5	-3.3	6.1	-2.7	4.5

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 10--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, DELTA STATES--CONTINUED

ITEM	ECONOMIC CLASS						CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999			
<u>NUMBER OF FARMS</u>	3,631	10,582	12,692	12,481	17,072	28,277	84,735	128,265	213,000
<u>PRODUCTION ASSETS:</u>	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	579,027	180,222	123,444	77,598	48,257	30,845	97,255	11,611	45,681
MACHINES & MOT VEHIC	69,124	44,667	22,373	15,265	8,477	5,442	17,664	2,613	8,601
CATTLE & CALVES	22,736	9,733	7,619	6,614	5,296	3,864	6,662	1,728	3,691
HOGS & PIGS	963	277	227	267	209	126	233	53	125
SHEEP POULTRY & HORSES	13,098	3,113	1,049	236	87	49	1,176	20	480
FEED GRAINS & HAY STORED	2,822	1,052	488	272	108	41	401	11	166
OTHER GRAINS & FIBERS STORED	12,693	4,081	1,895	1,091	441	158	1,640	46	680
DEMAND DEPOSITS & CURRENCY	6,177	3,815	2,600	1,823	1,539	1,235	2,121	1,096	1,504
EQUITY IN FARM COOPS	25,765	9,300	5,073	2,811	1,627	1,205	4,169	851	2,171
TOTAL ASSETS	732,408	256,264	164,773	105,981	66,044	42,969	131,324	18,033	63,102
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	114,679	27,740	20,740	11,632	6,448	4,457	15,985	1,878	7,490
NON-REAL ESTATE SECURE DEBT	56,868	26,475	14,970	8,466	3,236	1,714	10,456	649	4,551
TOTAL LIABILITIES	171,548	54,216	35,711	20,098	9,684	6,171	26,442	2,528	12,041
<u>EQUITY</u>	560,860	202,047	129,061	85,882	56,360	36,798	104,882	15,505	51,060
<u>INCOME:</u>									
CASH RECEIPTS	246,942	73,435	34,252	16,980	8,435	3,939	30,398	1,101	12,756
GOVERNMENT PAYMENTS	24,066	6,644	3,328	2,271	1,101	593	3,114	198	1,358
OTHER FARM INCOME ^{1/}	8,331	3,111	1,786	1,260	777	539	1,535	386	843
TOTAL INCOME	279,339	83,191	39,367	20,512	10,314	5,072	35,048	1,686	14,958
<u>PRODUCTION EXPENSES</u>	194,461	54,795	25,119	12,686	6,141	3,934	23,357	1,251	10,045
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	84,877	28,395	14,248	7,826	4,173	1,137	11,690	435	4,912
LESS OPT. & FAMILY LABOR ALLOWANCE	8,790	4,939	4,747	4,443	2,570	2,003	3,545	768	1,873
LESS MANAGEMENT FEE ALLOWANCE	9,352	3,909	2,184	1,427	784	346	1,700	83	726
NET INCOME TO EQUITY	66,734	19,547	7,317	1,955	817	-1,213	6,444	-416	2,312
<u>RATIO (PERCENT):</u>									
NET RETURNS TO EQUITY	11.9	9.7	5.7	2.3	1.5	-3.3	6.1	-2.7	4.5

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 10—RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, DELTA STATES—CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	1.7	5.0	6.0	5.8	8.0	13.3	39.8	60.2	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	21.6	19.6	16.1	9.9	8.5	9.0	84.7	15.3	100.0
MACHINES & MOT VEHIC	13.7	25.8	15.5	10.4	7.9	8.4	81.7	18.3	100.0
CATTLE & CALVES	10.5	13.1	12.3	10.5	11.5	13.9	71.8	28.2	100.0
HOGS & PIGS	13.1	11.0	10.8	12.5	13.4	13.4	74.2	25.8	100.0
SHEEP POULTRY & HORSES	46.6	32.2	13.0	2.9	1.5	1.3	97.5	2.5	100.0
FEED GRAINS & HAY STORED	28.9	31.4	17.5	9.6	5.2	3.3	95.9	4.1	100.0
OTHER GRAINS & FIBERS STORED	31.8	29.8	16.6	9.4	5.2	3.1	95.9	4.1	100.0
DEMAND DEPOSITS & CURRENCY	7.0	12.6	10.3	7.1	8.2	10.9	56.1	43.9	100.0
EQUITY IN FARM COOPS	20.2	21.3	13.9	7.6	6.0	7.4	76.4	23.6	100.0
TOTAL ASSETS	19.8	20.2	15.6	9.8	8.4	9.0	82.8	17.2	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	26.1	18.4	16.5	9.1	6.9	7.9	84.9	15.1	100.0
NON-REAL ESTATE SECURE DEBT	21.3	28.9	19.6	10.9	5.7	5.0	91.4	8.6	100.0
TOTAL LIABILITIES	24.3	22.4	17.7	9.8	6.4	6.8	87.4	12.6	100.0
EQUITY	18.7	19.7	15.1	9.8	8.8	9.6	81.7	18.3	100.0
INCOME:									
CASH RECEIPTS	33.0	28.6	16.0	7.8	5.3	4.1	94.8	5.2	100.0
GOVERNMENT PAYMENTS	30.2	24.3	14.6	9.8	6.5	5.8	91.2	8.8	100.0
OTHER FARM INCOME 1/	16.8	18.3	12.6	8.8	7.4	8.5	72.4	27.6	100.0
TOTAL INCOME	31.9	27.6	15.7	8.0	5.5	4.5	93.2	6.8	100.0
PRODUCTION EXPENSES	33.0	27.1	14.9	7.4	4.9	5.2	92.5	7.5	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	29.5	28.7	17.3	9.3	6.8	3.1	94.7	5.3	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	8.0	13.1	15.1	13.9	11.0	14.2	75.3	24.7	100.0
LESS MANAGEMENT FEE ALLOWANCE	21.9	26.7	17.9	11.5	8.7	6.4	93.1	6.9	100.0
NET INCOME TO EQUITY	41.8	35.6	16.0	4.2	2.4	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 10-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, DELTA STATES --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	79.1	70.3	74.9	73.2	73.1	71.8	74.0	64.4	72.4
MACHINES & MOT VEHIC	9.4	17.5	13.6	14.4	12.8	12.6	13.5	14.5	13.6
CATTLE & CALVES	3.1	3.8	4.6	6.2	8.0	9.0	5.1	9.6	5.8
HOGS & PIGS	0.1	0.1	0.1	0.3	0.3	0.3	0.2	0.3	0.2
SHEEP POULTRY & HORSES	1.8	1.2	0.6	0.2	0.1	0.1	0.9	0.1	0.8
FEED GRAINS & HAY STORED	0.4	0.4	0.3	0.3	0.2	0.1	0.3	0.1	0.3
OTHER GRAINS & FIBERS STORED	1.7	1.6	1.2	1.0	0.7	0.4	1.2	0.2	1.1
DEMAND DEPOSITS & CURRENCY	0.9	1.5	1.6	1.7	2.3	2.9	1.6	6.1	2.4
EQUITY IN FARM COOPS	3.5	3.6	3.1	2.7	2.5	2.8	3.2	4.7	3.4
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	66.8	51.2	58.1	57.9	66.6	72.2	60.5	74.3	62.2
NON-REAL ESTATE SECURE DEBT	33.2	48.8	41.9	42.1	33.4	27.8	39.5	25.7	37.8
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	88.4	88.3	87.0	82.8	81.8	77.7	86.7	65.3	85.3
GOVERNMENT PAYMENTS	8.6	8.0	8.5	11.1	10.7	11.7	8.9	11.8	9.1
OTHER FARM INCOME 1/	3.0	3.7	4.5	6.1	7.5	10.6	4.4	22.9	5.6
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	100.0	2/ 100.0	100.0	2/ 100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	10.4	17.4	33.3	56.8	61.6	85.2	30.3	90.2	38.1
LESS MANAGEMENT FEE ALLOWANCE	11.0	13.8	15.3	18.2	18.8	14.8	14.6	9.8	14.8
NET INCOME TO EQUITY	78.6	68.8	51.4	25.0	19.6	0	55.1	0	47.1

^{1/} INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

^{2/} DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

Appendix table 11--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHERN PLAINS

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
NUMBER OF FARMS	4,731	13,443	23,669	31,982	43,673	62,644	180,142	121,858	302,000
PRODUCTION ASSETS:	ALL FARMS (THOUSAND DOLLARS)								
LAND & BUILDINGS	3,551,443	4,091,938	4,370,421	3,920,351	3,281,439	3,094,369	22,309,961	3,299,090	25,609,051
MACHINES & MOT VEHIC	266,240	429,500	477,221	414,430	329,032	308,938	2,225,361	286,333	2,511,694
CATTLE & CALVES	708,982	397,927	395,124	361,497	339,078	319,462	2,522,070	280,230	2,802,300
HOGS & PIGS	5,295	7,786	8,988	7,964	5,962	4,449	40,444	4,049	44,493
SHEEP POULTRY & HORSES	39,156	30,157	24,030	17,957	12,653	9,294	133,247	6,186	139,433
FEED GRAINS & HAY STORED	16,759	22,997	20,576	15,642	9,310	4,934	90,218	2,889	93,107
OTHER GRAINS & FIBERS STORED	6,907	9,850	9,379	6,710	3,492	1,688	38,026	1,216	39,242
DEMAND DEPOSITS & CURRENCY	28,885	50,666	61,084	57,769	66,292	76,710	341,406	132,111	473,517
EQUITY IN FARM COOPS	147,985	133,112	121,370	95,930	68,763	71,645	638,805	109,356	748,161
TOTAL ASSETS	4,771,652	5,173,933	5,488,193	4,898,250	4,116,021	3,891,489	28,339,538	4,121,460	32,460,998
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	375,558	557,644	551,954	520,658	275,977	258,906	2,540,697	304,428	2,845,125
NON-REAL ESTATE SECURE DEBT	732,227	490,776	477,653	356,928	175,839	194,211	2,427,634	196,835	2,624,469
TOTAL LIABILITIES	1,107,785	1,048,420	1,029,607	877,586	451,816	453,117	4,968,331	501,263	5,469,594
EQUITY	3,663,867	4,125,513	4,458,586	4,020,664	3,664,205	3,438,372	23,371,207	3,620,197	26,991,404
INCOME:									
CASH RECEIPTS	1,822,339	792,133	644,961	441,517	303,002	199,115	4,203,067	125,529	4,328,596
GOVERNMENT PAYMENTS	79,994	137,510	159,327	124,949	78,672	55,533	635,985	25,122	661,107
OTHER FARM INCOME <u>1/</u>	45,444	40,182	45,003	42,586	37,141	36,527	246,883	44,666	291,549
TOTAL INCOME	1,947,777	969,825	849,291	609,052	418,815	291,175	5,085,935	195,317	5,281,252
PRODUCTION EXPENSES	1,662,399	660,244	538,413	373,352	267,241	259,381	3,761,030	168,991	3,930,021
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	285,378	309,581	310,878	235,700	151,574	31,794	1,324,905	26,326	1,351,231
LESS OPT. & FAMILY LABOR ALLOWANCE	22,422	41,814	78,174	47,268	61,812	178,770	430,260	175,740	606,000
LESS MANAGEMENT FEE ALLOWANCE	34,979	46,776	50,411	41,445	30,289	16,902	220,805	8,286	229,091
NET INCOME TO EQUITY	227,976	220,990	182,292	146,986	59,472	-163,878	673,839	-157,700	516,139
RATIO (PERCENT):									
NET RETURNS TO EQUITY	6.2	5.4	4.1	3.7	1.6	-4.8	2.9	-4.4	1.9

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 11--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHERN PLAINS --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
NUMBER OF FARMS	4,731	13,443	23,669	31,982	43,673	62,644	180,142	121,858	302,000
PRODUCTION ASSETS:	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	750,674	304,391	184,647	122,579	75,136	49,396	123,846	27,073	84,798
MACHINES & MOT VEHIC	56,275	31,949	20,162	12,958	7,533	4,931	12,353	2,349	8,316
CATTLE & CALVES	149,858	29,601	16,693	11,303	7,764	5,099	14,000	2,299	9,279
HOGS & PIGS	1,119	579	379	249	136	71	224	33	147
SHEEP POULTRY & HORSES	8,276	2,243	1,015	561	290	148	740	51	462
FEED GRAINS & HAY STORED	3,542	1,710	869	489	213	78	500	23	308
OTHER GRAINS & FIBERS STORED	1,459	732	396	209	79	26	211	9	129
DEMAND DEPOSITS & CURRENCY	6,105	3,768	2,580	1,806	1,517	1,224	1,895	1,084	1,567
EQUITY IN FARM COOPS	31,279	9,901	5,127	2,999	1,574	1,143	3,546	897	2,477
TOTAL ASSETS	1,008,592	384,879	231,872	153,156	94,246	62,120	157,317	33,821	107,486
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	79,382	41,482	23,319	16,279	6,319	4,132	14,103	2,498	9,420
NON-REAL ESTATE SECURE DEBT	154,772	36,507	20,180	11,160	4,026	3,100	13,476	1,615	8,690
TOTAL LIABILITIES	234,154	77,990	43,500	27,439	10,345	7,233	27,580	4,113	18,111
EQUITY	774,438	306,889	188,372	125,716	83,900	54,887	129,737	29,708	89,375
INCOME:									
CASH RECEIPTS	385,191	58,925	27,249	13,805	6,937	3,178	23,331	1,030	14,333
GOVERNMENT PAYMENTS	16,908	10,229	6,731	3,906	1,801	886	3,530	206	2,189
OTHER FARM INCOME <u>1/</u>	9,605	2,989	1,901	1,331	850	583	1,370	366	965
TOTAL INCOME	411,705	72,143	35,881	19,043	9,589	4,648	28,232	1,602	17,487
PRODUCTION EXPENSES	351,384	49,114	22,747	11,673	6,119	4,140	20,878	1,386	13,013
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT	60,320	23,029	13,134	7,369	3,470	507	7,354	216	4,474
LESS OPT. & FAMILY LABOR ALLOWANCE	4,739	3,110	3,302	1,477	1,415	2,853	2,388	1,442	2,006
LESS MANAGEMENT FEE ALLOWANCE	7,393	3,479	2,129	1,295	693	269	1,225	68	758
NET INCOME TO EQUITY	48,187	16,439	7,701	4,595	1,361	-2,616	3,740	-1,294	1,709
RATIO (PERCENT):									
NET RETURNS TO EQUITY	6.2	5.4	4.1	3.7	1.6	-4.8	2.9	-4.4	1.9

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 11--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, SOUTHERN PLAINS--CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
NUMBER OF FARMS	1.6	4.4	7.8	10.6	14.5	20.7	59.6	40.4	100.0
PRODUCTION ASSETS:									
LAND & BUILDINGS	13.9	16.0	17.0	15.3	12.8	12.1	87.1	12.9	100.0
MACHINES & MOT VEHIC	10.6	17.1	19.0	16.5	13.1	12.3	88.6	11.4	100.0
CATTLE & CALVES	25.3	14.2	14.1	12.9	12.1	11.4	90.0	10.0	100.0
HOGS & PIGS	11.9	17.5	20.2	17.9	13.4	10.0	90.9	9.1	100.0
SHEEP POULTRY & HORSES	28.1	21.6	17.2	12.9	9.1	6.7	95.6	4.4	100.0
FEED GRAINS & HAY STORED	18.0	24.7	22.1	16.8	10.0	5.3	96.9	3.1	100.0
OTHER GRAINS & FIBERS STORED	17.6	25.1	23.9	17.1	8.9	4.3	96.9	3.1	100.0
DEMAND DEPOSITS & CURRENCY	6.1	10.7	12.9	12.2	14.0	16.2	72.1	27.9	100.0
EQUITY IN FARM COOPS	19.8	17.8	16.2	12.8	9.2	9.6	85.4	14.6	100.0
TOTAL ASSETS	14.7	15.9	16.9	15.1	12.7	12.0	87.3	12.7	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	13.2	19.6	19.4	18.3	9.7	9.1	89.3	10.7	100.0
NON-REAL ESTATE SECURE DEBT	27.9	18.7	18.2	13.6	6.7	7.4	92.5	7.5	100.0
TOTAL LIABILITIES	20.2	19.2	18.8	16.0	8.3	8.3	90.8	9.2	100.0
EQUITY	13.6	15.3	16.5	14.9	13.6	12.7	86.6	13.4	100.0
INCOME:									
CASH RECEIPTS	42.1	18.3	14.9	10.2	7.0	4.6	97.1	2.9	100.0
GOVERNMENT PAYMENTS	12.1	20.8	24.1	18.9	11.9	8.4	96.2	3.8	100.0
OTHER FARM INCOME 1/	15.6	13.8	15.5	14.6	12.7	12.5	84.7	15.3	100.0
TOTAL INCOME	36.9	18.4	16.1	11.5	7.9	5.5	96.3	3.7	100.0
PRODUCTION EXPENSES	42.3	16.8	13.7	9.5	6.8	6.6	95.7	4.3	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	21.1	22.9	23.0	17.5	11.2	2.4	98.1	1.9	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	3.7	6.9	12.9	7.8	10.2	29.5	71.0	29.0	100.0
LESS MANAGEMENT FEE ALLOWANCE	15.3	20.4	22.0	18.1	13.2	7.4	96.4	3.6	100.0
NET INCOME TO EQUITY	27.2	26.4	21.8	17.5	7.1	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

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Appendix table 11—RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS, 1970, SOUTHERN PLAINS. --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
			PERCENT OF		COMPONENT VALUE				
PRODUCTION ASSETS:	74.4	79.1	79.6	80.0	79.7	79.5	78.7	80.0	78.9
LAND & BUILDINGS	5.6	8.3	8.7	8.5	8.0	7.9	7.9	6.9	7.7
MACHINES & MOT VEHIC	14.9	7.7	7.2	7.4	8.2	8.2	8.9	6.8	8.6
CATTLE & CALVES	0.1	0.1	0.2	0.2	0.2	0.1	0.1	0.1	0.2
HOGS & PIGS	0.8	0.6	0.4	0.3	0.3	0.3	0.5	0.2	0.4
SHEEP POULTRY & HORSES									
FEED GRAINS & HAY STORED	0.4	0.4	0.4	0.3	0.2	0.1	0.3	0.1	0.3
OTHER GRAINS & FIBERS STORED	0.1	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1
DEMAND DEPOSITS & CURRENCY	0.6	1.0	1.1	1.2	1.6	2.0	1.2	3.2	1.5
EQUITY IN FARM COOPS	3.1	2.6	2.2	2.0	1.7	1.8	2.3	2.6	2.3
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	33.9	53.2	53.6	59.3	61.1	57.1	51.1	60.7	52.0
NON-REAL ESTATE SECURE DEBT	66.1	46.8	46.4	40.7	38.9	42.9	48.9	39.3	48.0
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	93.6	81.7	75.9	72.5	72.3	68.4	82.6	64.3	82.0
GOVERNMENT PAYMENTS	4.1	14.2	18.8	20.5	18.8	19.1	12.5	12.9	12.5
OTHER FARM INCOME ^{1/}	2.3	4.1	5.3	7.0	8.9	12.5	4.9	22.8	5.5
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	100.0	^{2/} 100.0	100.0	100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	7.9	13.5	25.2	20.0	40.8	91.4	32.5	95.5	44.8
LESS MANAGEMENT FEE ALLOWANCE	12.2	15.1	16.2	17.6	20.0	8.6	16.7	4.5	17.0
NET INCOME TO EQUITY	79.9	71.4	58.6	62.4	39.2	0	50.8	0	38.2

^{1/} INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

^{2/} DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.

Appendix table 12-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, MOUNTAIN

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
<u>NUMBER OF FARMS</u>	5,226	11,783	19,552	21,451	18,263	17,401	93,676	34,924	128,600
ALL FARMS (THOUSAND DOLLARS)									
<u>PRODUCTION ASSETS:</u>									
LAND & BUILDINGS	3,537,535	2,942,729	3,381,690	2,088,356	1,388,800	776,561	14,115,671	2,194,410	16,310,081
MACHINES & MOT VEHIC	347,618	432,011	460,143	329,534	176,823	118,552	1,864,681	144,674	2,009,355
CATTLE & CALVES	912,542	508,345	448,832	287,649	141,345	81,831	2,380,544	99,189	2,479,733
HOGS & PIGS	4,939	5,019	6,167	4,458	2,723	1,735	25,041	1,655	26,696
SHEEP POULTRY & HORSES	94,306	55,246	31,711	18,728	9,668	5,068	214,727	19,601	234,328
FEED GRAINS & HAY STORED	42,046	53,775	55,324	40,940	17,703	7,745	217,533	3,764	221,297
OTHER GRAINS & FIBERS STORED	30,248	23,970	21,592	12,175	4,185	1,334	93,504	1,617	95,121
DEMAND DEPOSITS & CURRENCY	45,802	63,977	72,702	55,980	39,986	30,535	308,982	54,526	363,508
EQUITY IN FARM COOPS	211,525	127,735	116,758	83,744	45,199	32,017	616,978	46,128	663,106
TOTAL ASSETS	5,226,561	4,212,807	4,594,919	2,921,564	1,826,432	1,055,378	19,837,661	2,565,564	22,403,225
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	717,396	622,647	573,918	360,052	170,551	116,408	2,560,972	146,187	2,707,159
NON-REAL ESTATE SECURE DEBT	1,158,479	548,892	411,669	295,557	113,473	63,334	2,591,404	47,500	2,638,904
TOTAL LIABILITIES	1,875,875	1,171,539	985,587	655,609	284,024	179,742	5,152,376	193,687	5,346,063
<u>EQUITY</u>	3,350,686	3,041,268	3,609,332	2,265,955	1,542,408	875,636	14,685,285	2,371,877	17,057,162
<u>INCOME:</u>									
CASH RECEIPTS	2,240,371	724,826	560,093	317,111	135,905	57,657	4,035,963	82,366	4,118,329
GOVERNMENT PAYMENTS	75,353	72,430	76,003	53,592	24,360	12,667	314,405	10,393	324,798
OTHER FARM INCOME 1/	69,394	46,396	46,264	35,350	20,709	15,762	233,875	25,430	259,305
TOTAL INCOME	2,385,118	843,652	682,360	406,053	180,974	86,086	4,584,243	118,189	4,702,432
<u>PRODUCTION EXPENSES</u>	2,024,640	573,886	431,305	249,515	117,629	85,548	3,482,523	81,984	3,564,507
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	360,478	269,766	251,055	156,538	63,345	538	1,101,720	36,205	1,137,925
LESS OPT. & FAMILY LABOR ALLOWANCE	23,940	61,845	57,057	54,663	21,546	29,925	248,976	150,024	399,000
LESS MANAGEMENT FEE ALLOWANCE	48,575	42,616	41,926	27,655	13,172	4,783	178,728	6,887	185,616
NET INCOME TO EQUITY	287,962	165,304	152,071	74,219	28,626	-34,170	674,015	-120,706	553,308
<u>RATIO (PERCENT):</u>									
NET RETURNS TO EQUITY	8.6	5.4	4.2	3.3	1.9	-3.9	4.6	-5.1	3.2

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
<u>NUMBER OF FARMS</u>	5,226	11,783	19,552	21,451	18,263	17,401	93,676	34,924	128,600
<u>PRODUCTION ASSETS:</u>	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	676,910	249,743	172,958	97,354	76,044	44,627	150,686	62,833	126,828
MACHINES & MOT VEHIC	66,517	36,663	23,534	15,362	9,682	6,812	19,905	4,142	15,624
CATTLE & CALVES	174,615	43,142	22,955	13,409	7,739	4,702	25,412	2,840	19,282
HOGS & PIGS	945	425	315	207	149	99	267	47	207
SHEEP POULTRY & HORSES	18,046	4,689	1,622	873	529	291	2,292	561	1,822
FEED GRAINS & HAY STORED	8,045	4,563	2,829	1,908	969	445	2,322	107	1,720
OTHER GRAINS & FIBERS STORED	5,787	2,034	1,104	567	229	76	998	46	739
DEMAND DEPOSITS & CURRENCY	8,764	5,429	3,718	2,609	2,189	1,754	3,298	1,561	2,826
EQUITY IN FARM COOPS	40,475	10,840	5,971	3,903	2,474	1,839	6,586	1,320	5,156
TOTAL ASSETS	1,000,107	357,532	235,010	136,197	100,007	60,650	211,768	73,461	174,208
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	137,274	52,842	29,353	16,784	9,338	6,689	27,338	4,185	21,051
NON-REAL ESTATE SECURE DEBT	221,676	46,583	21,055	13,778	6,213	3,639	27,663	1,360	20,520
TOTAL LIABILITIES	358,950	99,426	50,408	30,563	15,551	10,329	55,002	5,545	41,571
<u>EQUITY</u>	641,156	258,106	184,601	105,634	84,455	50,321	156,766	67,915	132,637
<u>INCOME:</u>									
CASH RECEIPTS	428,697	61,514	28,646	14,783	7,441	3,313	43,084	2,358	32,024
GOVERNMENT PAYMENTS	14,418	6,146	3,887	2,498	1,333	727	3,356	297	2,525
OTHER FARM INCOME 1/	13,278	3,937	2,366	1,647	1,133	905	2,496	728	2,016
TOTAL INCOME	456,394	71,599	34,899	18,929	9,909	4,947	48,937	3,384	36,566
<u>PRODUCTION EXPENSES</u>	387,416	48,704	22,059	11,631	6,440	4,916	37,176	2,347	27,717
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	68,977	22,894	12,840	7,297	3,468	30	11,760	1,036	8,848
LESS OPT. & FAMILY LABOR ALLOWANCE	4,580	5,248	2,918	2,548	1,179	1,719	2,657	4,295	3,102
LESS MANAGEMENT FEE ALLOWANCE	9,294	3,616	2,144	1,289	721	274	1,907	197	1,443
NET INCOME TO EQUITY	55,101	14,029	7,777	3,459	1,567	-1,963	7,195	-3,456	4,302
<u>RATIO (PERCENT):</u>									
NET RETURNS TO EQUITY	8.6	5.4	4.2	3.3	1.9	-3.9	4.6	-5.1	3.2

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 12--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, MOUNTAIN --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999	\$2,500		
PERCENT OF COMPONENT VALUE									
<u>NUMBER OF FARMS</u>	4.0	9.2	15.2	16.7	14.2	13.5	72.8	27.2	100.0
<u>PRODUCTION ASSETS:</u>									
LAND & BUILDINGS	21.7	18.0	20.7	12.8	8.5	4.8	86.5	13.5	100.0
MACHINES & MOT VEHIC	17.3	21.5	22.9	16.4	8.8	5.9	92.8	7.2	100.0
CATTLE & CALVES	36.8	20.5	18.1	11.6	5.7	3.3	96.0	4.0	100.0
HOGS & PIGS	18.5	18.8	23.1	16.7	10.2	6.5	93.8	6.2	100.0
SHEEP POULTRY & HORSES	40.2	23.6	13.5	8.0	4.1	2.2	91.6	8.4	100.0
FEED GRAINS & HAY STORED	19.0	24.3	25.0	18.5	8.0	3.5	98.3	1.7	100.0
OTHER GRAINS & FIBERS STORED	31.8	25.2	22.7	12.8	4.4	1.4	98.3	1.7	100.0
DEMAND DEPOSITS & CURRENCY	12.6	17.6	20.0	15.4	11.0	8.4	85.0	15.0	100.0
EQUITY IN FARM COOPS	31.9	19.3	17.6	12.6	6.8	4.8	93.0	7.0	100.0
TOTAL ASSETS	23.3	18.8	20.5	13.0	8.2	4.7	88.5	11.5	100.0
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	26.5	23.0	21.2	13.3	6.3	4.3	94.6	5.4	100.0
NON-REAL ESTATE SECURE DEBT	43.9	20.8	15.6	11.2	4.3	2.4	98.2	1.8	100.0
TOTAL LIABILITIES	35.1	21.9	18.4	12.3	5.3	3.4	96.4	3.6	100.0
<u>EQUITY</u>	19.7	17.8	21.2	13.3	9.0	5.1	86.1	13.9	100.0
<u>INCOME:</u>									
CASH RECEIPTS	54.4	17.6	13.6	7.7	3.3	1.4	98.0	2.0	100.0
GOVERNMENT PAYMENTS	23.2	22.3	23.4	16.5	7.5	3.9	96.8	3.2	100.0
OTHER FARM INCOME ^{1/}	26.8	17.9	17.8	13.6	8.0	6.1	90.2	9.8	100.0
TOTAL INCOME	50.7	18.0	14.5	8.6	3.9	1.8	97.5	2.5	100.0
<u>PRODUCTION EXPENSES</u>	56.8	16.1	12.1	7.0	3.3	2.4	97.7	2.3	100.0
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	31.7	23.7	22.0	13.7	5.6	0.1	96.8	3.2	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	6.0	15.5	14.3	13.7	5.4	7.5	62.4	37.6	100.0
LESS MANAGEMENT FEE ALLOWANCE	26.2	22.9	22.6	14.9	7.1	2.6	96.3	3.7	100.0
<u>NET INCOME TO EQUITY</u>	40.7	23.3	21.5	10.5	4.0	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 13--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, PACIFIC

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia \$100,000+	Ib \$40,000 \$99,999	II \$20,000 \$39,999	III \$10,000 \$19,999	IV \$5,000 \$9,999	V \$2,500 \$4,999	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
<u>NUMBER OF FARMS</u>	10,067	13,699	17,151	17,161	17,866	23,057	99,001	45,819	144,820
<u>PRODUCTION ASSETS:</u>	ALL FARMS (THOUSAND DOLLARS)								
LAND & BUILDINGS	8,867,776	3,717,763	3,566,471	1,748,418	1,172,087	1,213,395	20,285,910	2,357,190	22,643,100
MACHINES & MOT VEHIC	811,307	211,810	296,912	181,551	122,925	124,816	1,749,321	141,837	1,891,158
CATTLE & CALVES	770,774	226,442	164,025	103,060	71,126	58,062	1,393,489	58,062	1,451,551
HOGS & PIGS	3,764	2,269	2,443	1,588	1,081	988	12,133	1,215	13,348
SHEEP POULTRY & HORSES	115,397	24,088	11,652	6,611	4,272	3,722	165,742	3,784	169,526
FEED GRAINS & HAY STORED	38,526	19,518	13,832	7,213	3,224	1,697	84,010	850	84,860
OTHER GRAINS & FIBERS STORED	27,935	6,810	3,466	1,468	530	164	40,373	408	40,781
DEMAND DEPOSITS & CURRENCY	79,972	67,345	57,779	40,560	35,203	36,733	317,592	65,048	382,640
EQUITY IN FARM COOPS	379,643	107,729	64,592	40,188	23,202	18,854	634,208	25,369	659,577
TOTAL ASSETS	11,095,094	4,383,774	4,181,172	2,130,657	1,433,650	1,458,431	24,682,778	2,653,763	27,336,541
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	1,338,148	664,238	348,241	319,221	203,141	122,529	2,995,518	228,936	3,224,454
NON-REAL ESTATE SECURE DEBT	1,426,427	409,920	255,904	123,213	45,020	61,606	2,322,090	47,390	2,369,480
TOTAL LIABILITIES	2,764,575	1,074,158	604,145	442,434	248,161	184,135	5,317,608	276,326	5,593,934
<u>EQUITY</u>	8,330,519	3,309,616	3,577,027	1,688,223	1,185,489	1,274,296	19,365,170	2,377,437	21,742,607
<u>INCOME:</u>									
CASH RECEIPTS	4,154,162	910,250	519,270	262,690	134,399	73,309	6,054,080	54,982	6,109,062
GOVERNMENT PAYMENTS	121,706	42,810	31,379	15,914	6,500	3,586	221,895	2,241	224,136
OTHER FARM INCOME ^{1/}	57,225	22,793	20,138	15,801	11,545	13,274	140,776	18,210	158,986
TOTAL INCOME	4,333,093	975,853	570,787	294,405	152,444	90,169	6,416,751	75,433	6,492,184
<u>PRODUCTION EXPENSES</u>	3,655,262	714,125	391,446	206,303	116,376	121,666	5,205,178	84,637	5,289,815
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	677,831	261,728	179,341	88,102	36,068	-31,497	1,211,573	-9,204	1,203,369
LESS OPT. & FAMILY LABOR ALLOWANCE	187,248	140,624	97,008	62,416	44,368	102,272	633,936	118,064	752,000
LESS MANAGEMENT FEE ALLOWANCE	143,172	56,519	38,651	22,000	12,208	5,563	278,116	3,523	281,639
NET INCOME TO EQUITY	347,410	64,584	43,681	3,685	-20,508	-139,332	299,520	-130,791	168,729
<u>RATIO (PERCENT):</u>									
NET RETURNS TO EQUITY	4.2	2.0	1.2	0.2	-1.7	-10.9	1.5	-5.5	0.8

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 13-- RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS OF FARM, 1970, PACIFIC --CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
NUMBER OF FARMS	10,067	13,699	17,151	17,161	17,866	23,057	99,001	45,819	144,820
PRODUCTION ASSETS:	AVERAGE PER FARM (DOLLARS)								
LAND & BUILDINGS	880,875	271,389	207,945	101,883	65,604	52,626	204,906	51,445	156,353
MACHINES & MOT VEHIC	80,590	15,461	17,311	10,579	6,880	5,413	17,669	3,095	13,058
CATTLE & CALVES	76,564	16,529	9,563	6,005	3,981	2,518	14,075	1,267	10,023
HOGS & PIGS	373	165	142	92	60	42	122	26	92
SHEEP POULTRY & HORSES	11,463	1,758	679	385	239	161	1,674	83	1,171
FEED GRAINS & HAY STORED	3,826	1,424	806	420	180	73	848	18	585
OTHER GRAINS & FIBERS STORED	2,774	497	202	85	29	7	407	8	281
DEMAND DEPOSITS & CURRENCY	7,943	4,916	3,368	2,363	1,970	1,593	3,207	1,419	2,642
EQUITY IN FARM COOPS	37,711	7,864	3,766	2,341	1,298	817	6,406	553	4,554
TOTAL ASSETS	1,102,125	320,006	243,785	124,156	80,244	63,253	249,318	57,918	188,762
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	132,924	48,488	20,304	18,601	11,370	5,314	30,257	4,996	22,265
NON-REAL ESTATE SECURE DEBT	141,693	29,923	14,920	7,179	2,519	2,671	23,455	1,034	16,361
TOTAL LIABILITIES	274,617	78,411	35,225	25,781	13,890	7,986	53,712	6,030	38,626
EQUITY	827,507	241,595	208,560	98,375	66,354	55,267	195,605	51,887	150,135
INCOME:									
CASH RECEIPTS	412,651	66,446	30,276	15,307	7,522	3,179	61,151	1,199	42,183
GOVERNMENT PAYMENTS	12,089	3,125	1,829	927	363	155	2,241	48	1,547
OTHER FARM INCOME 1/	5,684	1,663	1,174	920	646	575	1,421	397	1,097
TOTAL INCOME	430,425	71,235	33,280	17,155	8,532	3,910	64,815	1,646	44,829
PRODUCTION EXPENSES	363,093	52,129	22,823	12,021	6,513	5,276	52,577	1,847	36,526
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	67,331	19,105	10,456	5,133	2,018	-1,366	12,237	-200	8,302
LESS OPT. & FAMILY LABOR ALLOWANCE	18,600	10,265	5,656	3,637	2,483	4,435	6,403	2,576	5,192
LESS MANAGEMENT FEE ALLOWANCE	14,221	4,125	2,253	1,282	683	241	2,809	76	1,944
NET INCOME TO EQUITY	34,509	4,714	2,546	214	-1,147	-6,042	3,025	-2,854	1,165
RATIO (PERCENT):									
NET RETURNS TO EQUITY	4.2	2.0	1.2	0.2	-1.7	-10.9	1.5	-5.5	0.8

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 13--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS, 1970--CONTINUED

ITEM	ECONOMIC CLASS								TOTAL OF ALL FARMS
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN \$2,500	
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999			
PERCENT OF COMPONENT VALUE									
<u>NUMBER OF FARMS</u>	7.0	9.5	11.8	11.8	12.4	15.9	68.4	31.6	100.0
<u>PRODUCTION ASSETS:</u>									
LAND & BUILDINGS	39.2	16.4	15.7	7.7	5.2	5.4	89.6	10.4	100.0
MACHINES & MOT VEHIC	42.9	11.2	15.7	9.6	6.5	6.6	92.5	7.5	100.0
CATTLE & CALVES	53.1	15.6	11.3	7.1	4.9	4.0	96.0	4.0	100.0
HOGS & PIGS	28.2	17.0	18.3	11.9	8.1	7.4	90.9	9.1	100.0
SHEEP POULTRY & HORSES	68.1	14.2	6.9	3.9	2.5	2.2	97.8	2.2	100.0
FEED GRAINS & HAY STORED	45.4	23.0	16.3	8.5	3.8	2.0	99.0	1.0	100.0
OTHER GRAINS & FIBERS STORED	68.5	16.7	8.5	3.6	1.3	0.4	99.0	1.0	100.0
DEMAND DEPOSITS & CURRENCY	20.9	17.6	15.1	10.6	9.2	9.6	83.0	17.0	100.0
EQUITY IN FARM COOPS	57.6	16.3	9.8	6.1	3.5	2.9	96.2	3.8	100.0
TOTAL ASSETS	40.6	16.0	15.3	7.8	5.3	5.3	90.3	9.7	100.0
<u>PRODUCTION LIABILITIES:</u>									
REAL ESTATE SECURE DEBT	41.5	20.6	10.8	9.9	6.3	3.8	92.9	7.1	100.0
NON-REAL ESTATE SECURE DEBT	60.2	17.3	10.8	5.2	1.9	2.6	98.0	2.0	100.0
TOTAL LIABILITIES	49.4	19.2	10.8	7.9	4.5	3.3	95.1	4.9	100.0
<u>EQUITY</u>	38.3	15.2	16.4	7.8	5.5	5.9	89.1	10.9	100.0
<u>INCOME:</u>									
CASH RECEIPTS	68.0	14.9	8.5	4.3	2.2	1.2	99.1	.9	100.0
GOVERNMENT PAYMENTS	54.3	19.1	14.0	7.1	2.9	1.6	99.0	1.0	100.0
OTHER FARM INCOME 1/	36.0	14.3	12.7	9.9	7.3	8.3	88.5	11.5	100.0
TOTAL INCOME	66.8	15.0	8.8	4.5	2.3	1.4	98.8	1.2	100.0
<u>PRODUCTION EXPENSES</u>	69.1	13.5	7.4	3.9	2.2	2.3	98.4	1.6	100.0
<u>NET RETURN TO:</u>									
EQUITY, OPT., FAMILY LABOR & MGT.	54.5	21.1	14.4	7.1	2.9	0	100.0	0	2/ 100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	24.9	18.7	12.9	8.3	5.9	13.6	84.3	15.7	100.0
LESS MANAGEMENT FEE ALLOWANCE	50.8	20.1	13.7	7.8	4.3	2.0	98.7	1.3	100.0
<u>NET INCOME TO EQUITY</u>	75.6	14.1	9.5	0.8	0	0	100.0	0	2/ 100.0

SEE FOOTNOTES AT END OF TABLE.

CONTINUED

Appendix table 13--RETURN TO EQUITY IN FARM PRODUCTION ASSETS, BY ECONOMIC CLASS, 1970, PACIFIC--CONTINUED

ITEM	ECONOMIC CLASS								
	Ia	Ib	II	III	IV	V	CLASSES Ia-V COMBINED	VI LESS THAN	TOTAL OF ALL FARMS
	\$100,000+	\$40,000 \$99,999	\$20,000 \$39,999	\$10,000 \$19,999	\$5,000 \$9,999	\$2,500 \$4,999		\$2,500	
PERCENT OF COMPONENT VALUE									
PRODUCTION ASSETS:									
LAND & BUILDINGS	79.9	84.8	85.3	82.1	81.8	83.2	82.2	88.8	82.8
MACHINES & MOT VEHIC	7.3	4.8	7.1	8.5	8.6	8.5	7.0	5.3	6.9
CATTLE & CALVES	6.9	5.2	3.9	4.8	5.0	4.0	5.6	2.1	5.3
HOGS & PIGS	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
SHEEP POULTRY & HORSES	1.1	0.5	0.3	0.3	0.2	0.2	0.7	0.1	0.6
FEED GRAINS & HAY STORED	0.3	0.4	0.3	0.3	0.2	0.1	0.3	0.1	0.3
OTHER GRAINS & FIBERS STORED	0.3	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.2
DEMAND DEPOSITS & CURRENCY	0.7	1.5	1.4	1.9	2.4	2.5	1.3	2.4	1.4
EQUITY IN FARM COOPS	3.4	2.5	1.5	1.9	1.6	1.3	2.6	1.0	2.4
TOTAL ASSETS	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION LIABILITIES:									
REAL ESTATE SECURE DEBT	48.4	61.8	57.6	72.2	81.9	66.5	56.3	82.8	57.6
NON-REAL ESTATE SECURE DEBT	51.6	38.2	42.4	27.8	18.1	33.5	43.7	17.2	42.4
TOTAL LIABILITIES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
EQUITY	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
INCOME:									
CASH RECEIPTS	95.9	93.3	91.0	89.2	88.1	81.3	94.3	72.9	94.1
GOVERNMENT PAYMENTS	2.8	4.4	5.5	5.4	4.3	4.0	3.5	3.0	3.5
OTHER FARM INCOME <u>1/</u>	1.3	2.3	3.5	5.4	7.6	14.7	2.2	24.1	2.4
TOTAL INCOME	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
PRODUCTION EXPENSES	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
NET RETURN TO:									
EQUITY, OPT., FAMILY LABOR & MGT.	100.0	100.0	100.0	100.0	<u>2/</u> 100.0	<u>2/</u> 100.0	100.0	<u>2/</u> 100.0	100.0
LESS OPT. & FAMILY LABOR ALLOWANCE	27.6	53.7	54.0	70.8	78.4	0	52.3	0	62.6
LESS MANAGEMENT FEE ALLOWANCE	21.1	21.6	21.6	25.0	21.6	0	23.0	0	23.4
NET INCOME TO EQUITY	51.3	24.7	24.4	4.2	0	0	24.7	0	14.0

^{1/} INCLUDES INCOME FROM MACHINE HIRE, CUSTOM WORK, RECREATION SERVICES, VALUE OF HOME CONSUMPTION, NET CHANGE IN VALUES OF FARM CROP AND LIVESTOCK INVENTORIES AND NET EARNING TO EQUITY IN FARM COOPERATIVES.

^{2/} DISTRIBUTION BASED ON PERCENT OF POSITIVE VALUES.